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Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

## Official Report of Debates (Hansard)

G-1

## Journal des débats (Hansard)

G-1

Standing Committee on  
General Government

Comité permanent des  
affaires gouvernementales

Access to Consumer Credit  
Reports and Elevator  
Availability Act, 2018

Loi de 2018 sur l'accès au rapport  
de solvabilité du consommateur  
et la disponibilité des ascenseurs

3<sup>rd</sup> Session  
41<sup>st</sup> Parliament

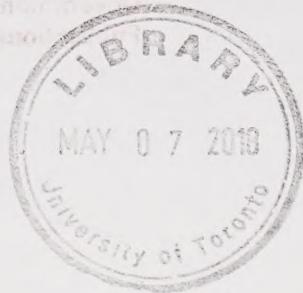
Wednesday 25 April 2018

3<sup>e</sup> session  
41<sup>e</sup> législature

Mercredi 25 avril 2018

Chair: Grant Crack  
Clerk: Eric Rennie

Président : Grant Crack  
Greffier : Eric Rennie



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## CONTENTS

Wednesday 25 April 2018

Access to Consumer Credit Reports and Elevator Availability Act, 2018, Bill 8, Ms. MacCharles / Loi de 2018 sur l'accès au rapport de solvabilité du consommateur et la disponibilité des ascenseurs, projet de loi 8, Mme MacCharles .....	G-1
Trans Union of Canada, Inc. ....	G-1
Ms. Johanna FitzPatrick	
National Elevator and Escalator Association .....	G-4
Mr. Christian von Donat	
Canadian Elevator Contractors Association.....	G-6
Mr. Doug Guderian	
Mr. Brian Elliott	
Delta Elevator Co. Ltd. ....	G-9
Mr. Andrew Friedel	
Renown Electric Motors and Repair .....	G-12
Mr. Jeff Collins	
Otis Elevator Company .....	G-14
Mr. Matthew Horton	
Kone Canada .....	G-17
Mr. Kelly Leitch	
Southcore Community Association.....	G-19
Mr. Kevin Vuong	
Receivables Management Association of Canada Inc.....	G-22
Mr. Steve Sheather	
Durham College .....	G-24
Mr. Kevin Baker	
Ms. Jane Holmes	
thyssenkrupp Elevator.....	G-26
Mr. Jorge Silva	



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENT

Wednesday 25 April 2018

*The committee met at 1330 in committee room 2.*ACCESS TO CONSUMER CREDIT  
REPORTS AND ELEVATOR  
AVAILABILITY ACT, 2018LOI DE 2018 SUR L'ACCÈS AU RAPPORT  
DE SOLVABILITÉ DU CONSOMMATEUR  
ET LA DISPONIBILITÉ DES ASCENSEURS

Consideration of the following bill:

Bill 8, An Act to amend the Consumer Reporting Act and the Technical Standards and Safety Act, 2000 / Projet de loi 8, Loi modifiant la Loi sur les renseignements concernant le consommateur et la Loi de 2000 sur les normes techniques et la sécurité.

**The Chair (Mr. Grant Crack):** Good afternoon, everyone. I'd like to call the Standing Committee on General Government to order. This afternoon, we are here to go through the public hearings process regarding Bill 8, An Act to amend the Consumer Reporting Act and the Technical Standards and Safety Act, 2000.

I'd like to welcome members of the committee, the public and support staff who are with us today. Thanks for your help.

We are on an order from the House which was dated April 19. Just to be clear, each witness will have up to five minutes for their presentation, followed by nine minutes of questioning from the committee. I will do my best to make sure it's divided between the three parties equally.

From members of the committee, are there any questions or comments before we start?

## TRANS UNION OF CANADA, INC.

**The Chair (Mr. Grant Crack):** There being none, then I shall call Trans Union of Canada, Inc. We have Johanna FitzPatrick, legal counsel and privacy officer. We welcome you to committee this afternoon, and you have up to five minutes.

**Ms. Johanna FitzPatrick:** Thank you very much. Good afternoon, honourable members. My name is Johanna FitzPatrick. I'm legal counsel and privacy officer for Trans Union of Canada, Inc. Thank you for the opportunity to provide comments on Bill 8, Access to Consumer Credit Reports and Elevator Availability Act. Specifically, my comments are with regard to the proposed amendments to the Ontario Consumer Reporting Act.

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Mercredi 25 avril 2018

Trans Union is a licensed consumer reporting agency, or CRA, with its head office in Burlington, Ontario. More information on Trans Union is provided as part of our written submissions.

Trans Union generally supports the initiatives of Bill 8. However, Bill 8 was introduced with limited and narrow stakeholder consultation, and as a result, we have concerns regarding unintended and negative consequences for Ontario consumers and businesses. We strongly recommend that this government take the opportunity to make appropriate amendments to Bill 8, based on further consultation with the industry.

The details of all of Trans Union's concerns with Bill 8 are provided as part of our written submissions, but I will highlight several issues that we feel cannot be addressed through regulation.

The first is with regard to consumer disclosures generally. Bill 8 requires that CRAs include contact telephone numbers, addresses and email addresses for any organization that reports to or accesses information from an agency. The best source of contact information for consumers is not CRAs but creditors' account statements or websites.

Further, Trans Union does not support the provision of email addresses, as it may encourage consumers to provide sensitive information by email, which we believe is not a secure method of communication and not appropriate for safeguarding consumers' credit information.

Bill 8 restricts the method of consumer disclosure for CRAs, in the interest of increasing consumer access. However, Trans Union has long been providing consumers with free access to their consumer disclosures through the mail, in person, by phone and online. In fact, consumers have been able to obtain a copy of their Trans Union consumer disclosure online and for free since the spring of 2016.

By restricting agencies to specific methods of disclosure, the bill will unintentionally prevent agencies from migrating to new delivery channels as technology advances and old channels of delivery become obsolete. We respectfully submit that both of these sections be removed from Bill 8.

Regarding credit scores, Bill 8 requires CRAs to provide consumers with any consumer scores obtained by businesses within the 12 months preceding the consumer's request. Also, CRAs must be able to explain to consumers how the individual items on their credit report directly impact those scores.

Most credit scores are developed and owned by third-party scoring companies and financial institutions, not consumer reporting agencies. Credit scores are created from approximately 7,000 different variables, and there are hundreds of scoring models that are tailored to different products and different assessment criteria.

CRA's do not have insight into what factors are considered by third parties when creating their scoring models. Further, even when a score is created by a reporting agency, the agency can only outline for consumers general factors that may influence the agency's score. This is what the industry calls "reason codes," and these are made available to clients today. Reason codes are the industry's existing solution to explain the broad categories that influence the scores and distill a complex mathematical equation into something understandable.

Credit scores are not personal information. They are dynamic statistical calculations that are used by financial service businesses as part of their decision-making process. A score may change, as personal information on a credit file is updated daily. Credit scores are therefore not stored on a credit report.

We respectfully submit that Bill 8 needs to be amended to remove the requirements for agencies to disclose scores provided to creditors, and to remove the requirement for agencies to provide detailed explanations to consumers on how items on each consumer's file directly influence each score.

Moving on to credit freezes, Bill 8 requires that agencies provide consumers with the option of freezing all access to their credit information, and this particular subsection of the bill makes no reference to exceptions. A straight bar to all access to credit information will cause a significant and negative impact to financial services in Ontario—

**The Chair (Mr. Grant Crack):** Thank you very much. I apologize. It's the toughest part of my job, that after the five minutes I have to interrupt.

**Ms. Johanna FitzPatrick:** Sure.

**The Chair (Mr. Grant Crack):** Thank you. We'll move to the official opposition. Mr. McDonell.

**Mr. Jim McDonell:** Maybe you want to just finish that last thought of yours.

**Ms. Johanna FitzPatrick:** Thank you. If we extend the freeze to all types of access, financial institutions will not be able to monitor existing consumer accounts or take steps to collect on delinquent accounts. Based on this, we feel that credit freezes must restrict access to a consumer's credit file only when the application is for credit purposes, but continue to allow ongoing access to credit information for purposes such as account monitoring, debt collection, and government and law enforcement inquiries.

Thank you.

**Mr. Jim McDonell:** Thank you.

You talked about credit scores and how they're proprietary to the companies you actually provide services to. Maybe you could elaborate on that?

**Ms. Johanna FitzPatrick:** Yes. The majority of scores—the algorithms and models are developed by the financial institutions on a custom basis, depending on the type of product, such as mortgages or credit cards, and for the type of risk they want: high risk, low risk. These are determined by those financial institutions based on their own lending criteria and risk appetite, and are not created by Trans Union. They are considered intellectual property, and credit reporting agencies have no right to that information.

**Mr. Jim McDonell:** In those cases, if you use one of the major banks, they are working with you, providing a formula, but they're expecting something back. But it would be different than the other four major banks, per se.

**Ms. Johanna FitzPatrick:** That's correct.

**Mr. Jim McDonell:** So not only would it not mean very much, but it is something that can easily be taken out of context.

**Ms. Johanna FitzPatrick:** That's correct. It's more important for a consumer to speak with their financial institution to understand what their considerations are when determining whether or not to extend credit to that consumer.

**Mr. Jim McDonell:** In the case of credit freezes—I mean, in today's world, people are worried about loss of identity. So there is a use for them, but it would have to be very temporary, I take it, because it stops you from taking money out of your account and using credit cards. It has a lot of unintended consequences, I would think.

**Ms. Johanna FitzPatrick:** Yes, it could, and that's where we think that a freeze is most effective, when preventing access by companies that are looking to extend new credit. That is generally where identity thieves target consumers. But there are a lot of services that consumers depend on with their existing accounts that are facilitated by that relationship with a credit reporting agency and access to that information, and those services are not available if that access is blocked.

1340

**Mr. Jim McDonell:** So if you're a bank and you can see that there is a freeze in place, then I guess they would instantly lock up all further ability for the customer to either use the card or—

**The Chair (Mr. Grant Crack):** Thank you very much. We'll have to move on to Mr. Gates from the third party.

**Mr. Wayne Gates:** How are you doing? It's nice to see everybody else is here today.

A question for you: Do you feel that this bill is getting the attention it deserves and giving enough opportunity for the stakeholders to come here and not feel rushed and get your point across, to really dig deep into what amendments could be important? Because when I read even the document that you're providing, and I take a look at it, and you talk about subsection 2(2) of Bill 8, and then you talk about subsection (1) of Bill 8, and you talk about a number of subsections, as an MPP, I can't go over subsection (2) of anything in a short period of time, so I apologize.

I believe that it is a very important bill. I don't know why elevators have anything to do with our credit cards and our credit, but I just wanted to let you know that it's certainly not my opinion—I don't think it's in the best interest of the government to be doing this bill the way they're doing it. It's a little off the subject, but I can tell that you're frustrated about how much time you've been given.

I'll ask you whatever questions I can get through, and we'll see what happens.

Could you please discuss the process right now for an Ontario consumer to access a copy of their credit report from Trans Union: steps involved—that might be the only one you get to—timeline, and how they would ultimately receive the copy of their credit report?

**Ms. Johanna FitzPatrick:** There are four separate ways. The online method: There is a free option online. A consumer would provide their identifying information and answer what we refer to as authentication questions that are designed to be specific to the consumer and verify their identity. If they pass that process, they would receive instant access to all of the information we have.

There's also the option through mail, where they would provide two copies of identification to meet specific requirements. Once we have received that, it's generally processed within a few days, maximum, and sent by regular mail to the consumer.

They can also call through and authenticate over our phone system. Once they've passed that process, then it would be instantly sent through the mail, for as long as the mail process would take.

Then we have an office in Burlington, Ontario, that they can attend in person with photo ID. They can obtain a copy of their file instantly through that process.

**Mr. Wayne Gates:** One that is maybe more personal to me: I'm a Blue Jays fan, so I go to a lot of Blue Jays games. Every once in a while, they offer these nice, beautiful Blue Jays bags if you just sign up for a Mastercard. Do they have any effect on my credit rating if I'm filling those out over and over again? I was using them as gifts as they go through. Maybe you can explain. Does that affect your credit rating if you are doing that at different sporting events or anything like that?

**The Chair (Mr. Grant Crack):** Thank you very much.

Just a quick response, I'll allow. We're overtime.

**Ms. Johanna FitzPatrick:** It may, depending on the score.

**The Chair (Mr. Grant Crack):** Thank you very much.

We'll move to the government. Mr. Potts.

**Mr. Arthur Potts:** Thank you, Ms. FitzPatrick, for being here.

Of course, as you know, this section of the bill comes from my private member's bill, which we initiated back before we prorogued and brought back in. I'm delighted to see it here in a government bill so we can move it forward.

You talk about the online and the free, which has been hard to get. Online and free: It's not a product that's been offered by credit reporting agencies in the province in the past.

You were concerned about the prescriptive nature. Could you explain why it is it would be difficult—unsecure? We have blockchain technologies. Is it the wording? Do you want to see something more like "instantaneous"? Because the idea is, you should be able to get that information as fast, for free, for your own information, as you do when you pay for it.

**Ms. Johanna FitzPatrick:** Our concern is with creating a specific list of the methods of disclosure within an act, as opposed to allowing for the agencies to do as they've done, which is respond to technology.

As I indicated earlier, Trans Union, since 2016, has provided a free online disclosure. That information has been available throughout this time. I know that there are other options available to consumers online that are not free; however, those are not Trans Union's options and those we have no control over. Our concern is that by restricting this list within an act, we are now forcing legislative changes to happen each time technology advances, whereas we were able to move forward and respond to consumers and create this online option without it being required under an act already.

**Mr. Arthur Potts:** Right. You're a good actor in the process, and quite often we need government legislation to look after the bad actors. Maybe that's more to the point of why it's there.

I'm also very interested in your comments on the freezes. I appreciate very much, and we've had a number of e-mail correspondences and faxes as you've taken me through this process, that when you freeze it, you still need to have existing credit relationships and you have to have that transaction of credit information so that, as part of an ongoing credit relationship, banks and other institutions can manage the client.

Maybe you could expand a bit more about that.

**Ms. Johanna FitzPatrick:** Yes. There are several reasons that companies access information. Obviously, credit freezes are a very important tool for consumers to protect themselves, but when it comes to protecting from identity theft, that is generally—and I would say almost always—aimed at the credit adjudication process. A lot of the financial institutions, particularly major banks, also have obligations on them under their governing legislation to monitor their accounts and make sure their consumers are receiving the best products and are understanding what is available to them. Those ongoing relationships require access to consumer information, and there is consent for that type of access.

**The Chair (Mr. Grant Crack):** Thank you very much. We appreciate it.

**Mr. Arthur Potts:** Really? That's three?

**The Chair (Mr. Grant Crack):** Yes, it was. Yes.

Thank you very much, Ms. FitzPatrick, for coming before committee this afternoon. Much appreciated.

## NATIONAL ELEVATOR AND ESCALATOR ASSOCIATION

**The Chair (Mr. Grant Crack):** Next on the agenda we have, from the National Elevator and Escalator Association, two representatives. We have Christian von Donat and Michael Hutchison with us this afternoon. We welcome the both of you to committee this afternoon and look forward to your presentation. You have up to five minutes.

The floor is yours. Whoever is speaking, please introduce yourself prior. Much appreciated.

**Mr. Christian von Donat:** Thank you, Chair. Good afternoon. I would like to begin by expressing my thanks for the invitation to appear before you today. My name is Christian von Donat. I am joined by my colleague Michael Hutchison. Together we are here as representatives of the National Elevator and Escalator Association, also known as NEEA.

NEEA proudly represents the large four manufacturers of elevating and escalating devices in Canada, which are thyssenkrupp, Otis, Kone and Schindler. As the primary stakeholder for our industry, NEEA has been extensively engaged over the last year with the department of government and consumer services, Deloitte, legislators and other stakeholders during this review of elevator availability. We are here to outline the serious concerns we have with Bill 8 in its current form and to offer our recommendation on amending the bill in order to ensure it avoids unintended consequences.

In 2017, the government retained the services of Deloitte's public sector strategy team as well as that of retired Superior Court justice Douglas Cunningham to author a report on elevator availability in Ontario. All relevant stakeholder groups participated in the report process, including NEEA. NEEA spent months working on a review of elevator availability in Ontario, providing valuable statistical data showing year-over-year improvements in the province for everything from incidences of entrapment to service calls. We are proud to note that over 98% of elevators that go out of service in Ontario are back in service within 24 hours.

NEEA's report concluded with a list of recommendations that would directly and positively impact the riding public with regard to elevator availability. For example, it advocated for a traffic analysis study that would ensure any new buildings in the province have the right number of elevators in them. It also noted that the rescinded TSSA directive for replacing single-speed elevators was alarming, given they disproportionately cause an increase in elevator downtime, repeat service calls and the potential for injuries to the riding public.

Deloitte and Justice Cunningham released the report at the end of January, and Minister MacCharles issued an action plan one day later, on the 25th, that indicated it would follow through with "addressing all recommendations included in the final report."

1350

The most troubling concern with Bill 8 is the section referring to the establishment of standards and time

requirements for the repair of elevating devices. Let's be very clear: This is a direct contradiction of the conclusions and recommendations that Deloitte and Justice Cunningham reached. In the Deloitte report on the subject of mandatory repair timelines, the justice notes:

(1) He heard a broad consensus that proposed repair timelines are unworkable.

(2) The debate around what is a reasonable cause for exemption runs the risk of invalidating any timeline requirement.

(3) There are serious, unintended consequences with repair timelines. For example, contractors would be unwilling to take on the liability of maintenance contracts for obsolete elevators, in certain remote regions, or buildings with known recurring problems with their elevators. Thus, some building owners will have a problem finding anyone willing to maintain their devices. Contractors could prioritize repairs to meet a mandatory timeline rather than the actual, potentially shorter, timeline for the repair, and there could be significant cost increases to renters, seniors and any other end users, as all maintenance contracts would see major increases to account for added liabilities.

With this in mind, Cunningham recommended that the ministry develop a modern regulator with the duties of a coaching role with industry. This would see contractors required to submit a plan of action for all elevator outages over 48 hours in duration, whereby contractors would indicate the service work required and list any circumstances that will affect the return-to-service date.

NEEA is pleased with those conclusions and recommendations in the report, and hearing that the government stated it would adopt those recommendations. In our meeting with officials in the department, it was confirmed the intent was in fact to adopt those recommendations.

Looking back to Bill 8 and the language around establishing standards and time requirements for the repair of elevators, given the intent is to follow the recommendations of the report, the proposed language should be amended to reflect this. Otherwise, it will cause unintended consequences to consumers and the public, which I just outlined. We ask the committee to amend this section of Bill 8 and reflect the need for "establishing a plan of action requirement for communicating elevating device outages lasting more than 48 hours and an anticipated return-to-service date."

Thank you for your time today. We would be pleased to answer any questions.

**The Chair (Mr. Grant Crack):** Excellent job. Right on time—much appreciated. We'll start with the third party. Mr. Gates.

**Mr. Wayne Gates:** Thank you for your presentation. Could you tell us how many members have come forward in your organization in opposition of the bill?

**Mr. Christian von Donat:** You mean of the four members of the association? Well, we do have three that will be speaking later today, but all four members are concerned in particular with the section that I just outlined.

**Mr. Wayne Gates:** So none of them are in support of the bill?

**Mr. Christian von Donat:** Not as written, no. I would say that the NEEA members were very pleased with the conclusions of the Deloitte report, and given the government's stated intention to adopt those recommendations, our members feel that the goal should be to align any sort of regulations along the lines of the Deloitte report and the conclusions that were reached.

**Mr. Wayne Gates:** Thanks. What do you think is a reasonable time for people to be without functioning elevators in a residence?

**Mr. Christian von Donat:** I think it's important that you understand, and of course I'm sure that all members are aware, that we don't want anyone to be without elevator service. The goal is not to do that. The goal of contractors and manufacturers is to ensure that the units are working as intended, but we stated in our report that I had mentioned we had submitted to the department, and that was used extensively in the Deloitte report, that safety is always the number one concern.

With that in mind, it is something that always has to come into account when you discuss conducting repairs on a very technical, expensive piece of equipment with variances based on whether it's an obsolete unit—it could be 40 years old; it could be one year old—or from a variety of manufacturers. There are so many various issues at play: the region that the unit is located in, the contractors in that area. It really comes down to whether the contractor has expertise in maintaining elevators or constructing new elevators. There are so many different variables.

For us, of course, we want to ensure that the up time of elevators in Ontario is extremely high. The report indicated a 99.2% up time in the province, and we are putting 98% of elevators that go out of service back in 24 hours. I would say Justice Cunningham had mentioned that that is a very good statistic to strive for. We are meeting that and exceeding it. We have to make sure, when we're taking those measures into account: How far do you go to ensure that you minimize disruptions and downtime, but also ensure that the safety of both the contractors and the riding public is not a factor?

**Mr. Wayne Gates:** Thanks. I'll give you another question. I don't need an answer on this, but you said safety is number one, not profit, right?

This is one that's very important to, I think, everybody in this room: Do you believe it's fair to have shorter timelines for repairs in a long-term-care home, for elevators?

**Mr. Christian von Donat:** Again, I think this is important context, and I appreciate the question. It comes back to the question of, what are you creating this timeline on? Are you creating a timeline on water damage? That could take weeks or months, to completely replace an elevator cab.

You're generalizing something that has so many variables that would cause different delays. A one-day difference could make the difference. You're asking

contractors to rush work that they probably should not be rushing. The unintended consequences that follow that—it's going to cause the price of contracts to go way up. At the end of the day, every building in Ontario will still need to service their elevators.

**The Chair (Mr. Grant Crack):** Thank you very much. We'll move to the government side. Mr. Dong.

**Mr. Han Dong:** First of all, thank you, Christian and Michael, for coming on behalf of NEEA. We've had a few interactions in the development of my private member's bill, as well as the government bill.

First question—big question—do we have a problem with elevator availability here in Ontario right now?

**Mr. Christian von Donat:** I think that, to your point, there is a problem with specific elevators in this province. When you look at what is causing 70% of the longer-duration shutdowns of over 24 hours and how we can deal with those overarching issues, when we look at things like single-speed elevators, of which there are still hundreds in this province, that can mislevel every day and require a maintenance contractor to service them, unanticipated, every day because of temperature fluctuations or humidity—I can tell you we actually have a single-speed elevator in our office here a couple of blocks away, and it is constantly down.

No contractor, no service provider wants to have that problem happen. The TSSA had a directive to remove those from service, and we were at about 50% compliance before they rescinded that directive, but it's directly responsible for a lot of the issues when you take elevators out of service unanticipated. In that case, it also could contribute to falls and other injuries, because they mislevel, and it's just because the equipment hasn't been manufactured since the late 1970s. It's really an out-of-date technology. It's prone to issues. It shouldn't be around anymore. Other jurisdictions in Canada have taken steps to remove them.

We need to look at what is causing those unanticipated consequences that remove—

**Mr. Han Dong:** Thank you, Christian. I only have three minutes. I want to get a few questions out. So I assume that you think there is a problem, but different aspects to it.

Do you support that there should be centralized data collection for elevator outages?

**Mr. Christian von Donat:** Definitely, and I think that when we talk about Deloitte's plan of action, as they indicated, that would be the contractors communicating what they see as the issue, the anticipated timeline for a return-to-service date and indicating the variables that are at play; for example, if they're servicing an obsolete piece of equipment and a part needs to be machined because the company is no longer in service or manufacturing that, that they would indicate those things.

There needs to be an extensive period of data collection, because I think what we saw from the Deloitte report, as well as your private member's bill, was that there are still issues between both the industry and the TSSA, where we're missing data to help us determine some of our decision-making.

We tried to participate by contributing as much as we can by looking at our own uptime data. We've consulted with other industry stakeholders to sort of find an average in the industry, and we're very proud of that; but, I think, to your point, we could do more to look at some of the data points.

**Mr. Han Dong:** So based on the Deloitte report, I remember a percentage: Elevators in condos in Ontario only work 93% of the time, which means that 26 days per year, they're out of service. Do you remember that?

**The Chair (Mr. Grant Crack):** Sorry, we're going to move over to the official opposition. Mr. McDonell.

**Mr. Jim McDonell:** Thank you for coming before us today. You talked about the Deloitte report being issued, and the legislation was issued the next day. I guess it suggests that it wasn't used in the formation of the bill.

In that question—again, you were talking about the out-of-date elevators. What percentage would be of that older technology?

**Mr. Christian von Donat:** Sorry, what was the question?

**Mr. Jim McDonell:** What percentage of the elevators in use in Ontario would be of that older—

**Mr. Christian von Donat:** We still have hundreds of elevators in Ontario that should likely have been replaced, when we're looking at elevators that are over 25 years of age, with outdated technology. Single-speed elevators: We know of hundreds that are still—I don't have the exact number in front of me, but I'd be happy to get that for you.

1400

It's definitely an issue. There's a reason why other jurisdictions moved years ago to start removing these kinds of elevators from their jurisdictions, yet Ontario still has them. The last ones were manufactured, I believe, in 1979.

**Mr. Jim McDonell:** A lot has changed since 1979, so parts are very hard to get, certainly with timelines.

**Mr. Christian von Donat:** Yes. It's not just parts, but it's also the type of equipment. Single-speed elevators, in the way that they were manufactured, were cheaper to manufacture, and a lot of those five- and six-storey buildings, some of the seniors' homes, were the ones that purchased them because they were cheaper and more affordable. Unfortunately, they still exist in a lot of places.

It's not uncommon to see such an elevator go out of service three times in one week, simply because it's mislevelling or because of a temperature change, and there's nothing that a manufacturer or a contractor can do to prevent that issue from occurring.

**Mr. Jim McDonell:** Many or most of these buildings are, say, above four floors. Would they have more than one elevator, or are they typically a single elevator?

**Mr. Christian von Donat:** They're typically single elevators. To your point, it comes down to the building owner who owns the asset to determine when they want to replace their elevator and what kind of service contract they have. You're probably not going to have problems

walking into commercial buildings with elevators, because they want their customers and their businesses to not have problems. Unfortunately, we see a lot of issues with Toronto Community Housing and other areas. But it's the building owner that's responsible for setting what kind of contract they have, and elevator replacement.

**Mr. Jim McDonell:** So it's not reasonable to assume that you can meet some of these standards, with the current climate and the technologies there.

**Mr. Christian von Donat:** There's a reason that a repair timeline does not exist anywhere else in the world. It is not because no one else thought of it first.

**Mr. Jim McDonell:** With the lack of consultation involved in this bill, I guess that was something that—we commissioned a report from Deloitte, but it's obvious that we haven't reviewed it in this legislation.

**Mr. Christian von Donat:** I think that's a great point. I would stress this again: The association is very pleased with the conclusions that the Deloitte report reached. There are issues on compliance and other issues that are very forward-looking, and they make the industry look at itself and say, "Where can we do better?" But it also struck a tone on what is reasonable and feasible, as Justice Cunningham mentioned in his report. We'd like to see the end results of all of this follow that report.

**The Chair (Mr. Grant Crack):** Thank you very much, gentlemen. Thank you so much for your presence here this afternoon and for sharing your insight with the committee. It's much appreciated.

#### CANADIAN ELEVATOR CONTRACTORS ASSOCIATION

**The Chair (Mr. Grant Crack):** Next we have the Canadian Elevator Contractors Association. We have the vice-president and treasurer, Mr. Doug Guderian, as well as past president Brian Elliott with us. We welcome the two of you gentlemen to committee this afternoon. You have up to five minutes for your presentation. Welcome, and the floor is yours.

**Mr. Doug Guderian:** Thank you. My name is Doug Guderian. I am the president of Elevator One, an independent, non-union elevator company. I'm here representing CECA, the Canadian Elevator Contractors Association.

Who is CECA? CECA represents approximately 90% of the elevators in Ontario. We maintain them. Our members represent both the unionized and non-unionized sectors. We represent both independent and multinational companies.

CECA fully supports safer and more reliable elevators, and we have been working with the TSSA and the government towards that end.

We have some challenges before us in the current wording of this bill, and we can do better at achieving the desired result of reliable elevators. I'm going to go through a few of those items.

There is a conflict of interest. TSSA is currently in a serious conflict-of-interest situation with the bill's

wording. The top three of approximately nine parties that have control over elevator shutdowns are the elevator contractors, as we've heard; the elevator owners, as we've heard about; and the third-biggest one is the TSSA.

We estimate that the TSSA has a significant role in 20% of the prolonged elevator shutdowns. The TSSA is often the sole or primary cause of some of these shutdowns. It's not uncommon for TSSA to make errors that result in elevator shutdowns. How can they be the party that issues the fines when they're part of the problem?

History has also shown that TSSA has never charged an elevator owner for safety infractions, which is part of what's under their jurisdiction, despite the fact that their own data shows that the owners are a large cause of the safety infractions. Why would their assessors be any different in enforcing reliability, as laid out in the bill before us? To improve reliability, we have to improve the performance of all parties. We have to improve the performance of elevator contractors, elevator owners and the TSSA.

The next point is frivolous penalties. There needs to be some control at the act level to prevent the assessors from regularly applying frivolous penalties. We are in the elevator maintenance and repair industry and we're constantly fighting frivolous, inaccurate directions from TSSA for infractions. These actions take time and energy away from the other work that we do on elevators, like making them more reliable. We cannot see how the current wording will prevent these sorts of abuses with the legislation in the future, and it may actually result in less reliable elevators.

The next point is the power to be treated as guilty even when innocent. The wording in clause 32.1(7) clearly states that the assessor has the ability to treat people and companies as guilty even if they are innocent. Why is this wording here? We live in Canada. If the assessor will do his job and truly identify the cause of the contraventions, then these clauses are unnecessary and overkill. They create an opportunity for abuse. Let's write good and fair legislation that does not infringe on the Charter of Rights and Freedoms.

The next point is the limitation period. It's simply not fair that an assessor can take two years to perform investigations and then issue fines, and then the fined party has only 15 days to appeal. In these 15 days, we would have to research the alleged contravention that happened two years ago, compile a response, and appeal. The timelines for the assessor and the fined party should be similar. As a minimum, the assessor should notify the contravening party that they are considering a fine so that investigations can be performed by both parties closer to the actual contravention.

Just think about yourself: How would you like to get a parking ticket today for an infraction that apparently happened two years ago in a location that you can't remember ever having parked in? That's the situation we're being put in by this bill.

Collecting elevator availability data: The data that gets collected needs to be accurate, and TSSA's track record

of accurately collecting data is dismal. They have been through three software systems and they still have not gotten their internal contractor rating data to a point where they're willing to share it publicly. It is a big and challenging job to track and compile data that currently is not even tracked by most elevator companies. We need excellent co-operation between the industry and the data collection agency because publishing erroneous data will have a dramatic effect on property values in some buildings. TSSA has not proved the required level of co-operation with industry in the past, so I do not believe that they are the right party to be doing this.

**The Chair (Mr. Grant Crack):** Thank you very much. We appreciate it.

We'll start with the government: Mr. Potts.

**Mr. Arthur Potts:** Thank you, Mr. Guderian. I appreciate very much you being here to share your views on it. An excellent submission—I had a chance to go over it earlier, and you make some very strong, powerful points, particularly about some of the conflicts of interest, the notion of the TSSA policing themselves, and this reverse-onus issue you bring up. I know our staff here are taking a very close look at it.

Before I go into more detail about that, I've just got this pressing question I have to ask. As a contractor: Are there opportunities for backup power systems to help elevators get up and back down in case of power outages, regardless of elevators breaking down? Is there a technology or an opportunity for a backup power system, like battery?

**Mr. Doug Guderian:** There are a lot of them in a lot of elevators, but it's not legislated for all of them.

**Mr. Arthur Potts:** Would it be something, even just from a—I'm thinking from a climate change perspective. If you have a backup bank of batteries, you can use that for a building and then when people—

**Mr. Doug Guderian:** It can be done, and it's done on a lot of buildings.

**Mr. Arthur Potts:** Great. I'd love to talk to you more about that.

Can you talk a bit more about the assessment notification? I would be surprised if the assessor did not notify. As part of the investigation, wouldn't it be automatic that they would be talking to the contractor or the building owner who is involved with that infraction?

**Mr. Doug Guderian:** It should be, but often, currently, the TSSA just approaches one party. We are often left out in the cold. That's why we feel that should be in the legislation, because it is very logical.

**Mr. Arthur Potts:** I would hope it would be in regulations, at the very least. Two years—

**Mr. Doug Guderian:** It's not happening today with the TSSA inspectors.

1410

**Mr. Arthur Potts:** It's very interesting to hear that—very, very interesting. I know that people are concerned about this notion of the TSSA policing themselves. It is kind of interesting. I use the analogy of—oh my God, I forgot it. It was the analogy of the SIU reporting to the

police chief. It doesn't work that way. I'm hoping, and I'm pretty confident, that our staff are listening, to see if we can sort those out. I appreciate your deputation here today.

**Mr. Doug Guderian:** That would be fabulous. Thank you.

**The Chair (Mr. Grant Crack):** The official opposition: Mr. McDonell.

**Mr. Jim McDonell:** Thank you for coming out. I've heard numerous stories about the unaccountability of the TSSA, so I certainly believe what you're saying.

Again, the Deloitte report came out. Do you see that some of the legislation is in direct contravention to that report?

**Mr. Doug Guderian:** Yes, it is. One of the other things that's pretty clear is, the TSSA adopted a maintenance control program back in 2013, and they didn't consult with the industry, as the report says that they should. The TSSA reduced the frequency of elevator inspections from 12 times a year to four, and an awful lot of companies then started doing that. How can that not be a contributor to the reliability? Actually, one of the recommendations in the report is that there be a return to more frequent maintenance, in legislation.

**Mr. Jim McDonell:** The bill seems to give unlimited liability against the owners. As far as the TSSA goes, if you have an appeal, you may have to appeal back to the TSSA, which is not independent. Any comment on that?

**Mr. Doug Guderian:** Yes. It doesn't work. That's part of what the situation is now for safety-related concerns.

I've personally been in situations where I've gone to the director of the TSSA and, in my opinion, he has made the wrong call, and there's nowhere to go. I ask, "Who can I appeal to?" It's like, "You just did. We're done." That's not right.

**Mr. Jim McDonell:** I tabled a private member's bill to put them under the scrutiny of the Ombudsman or the Auditor General. There's no oversight over this group at all, and it creates many problems in the industry.

Any other issues that you think need to be changed in this legislation, that you didn't have time to talk about in your five minutes?

**Mr. Doug Guderian:** Brian, do you want to speak to an example of the TSSA that you experienced?

**Mr. Brian Elliott:** Yes. Recently, we upgraded two elevators. Part of the modernization process is, you take the first car down, modernize it and inspect it, and then take the second car down—same thing—modernize and inspect it. We did that.

After we inspected the second car, the inspector said, "You can't turn it on." "Well, why not?" He said, "There's \$400 in unpaid fees on this elevating device." I said, "Okay, we'll clear it up."

We contacted the condo board and said, "You owe some money." After a couple of weeks passed, I found out that the TSSA had invoiced the wrong person. The property manager sent the cheque to the TSSA, and they lost the cheque. We're now at four weeks down.

I contacted the TSSA and said, "What's going on? We have a car that has been down for five weeks, for \$400." They said, "Well, that's unusual."

Again, in this circumstance here, you can't have the judge, the jury and the executioner all under the same body. It's not going to work.

**The Chair (Mr. Grant Crack):** Thank you very much. I appreciate it—

*Interjection.*

**Mr. Doug Guderian:** We can provide it to you.

**The Chair (Mr. Grant Crack):** We'll move to the third party. Mr. Gates.

**Mr. Wayne Gates:** Hi, guys. How are you?

Just a question: I've read a lot of articles. People are saying that Canada has an elevator crisis. One expert blames the manufacturers. With the number of elevators and calls for high-rise rescues increasing, are cutthroat competition and the four major elevator-makers to blame?

**Mr. Brian Elliott:** I would say—

**Mr. Doug Guderian:** Go ahead.

**Mr. Wayne Gates:** That's a fair question.

**Mr. Doug Guderian:** Yes.

**Mr. Brian Elliott:** The company I work for is an independent. We are a manufacturer, and probably the biggest manufacturer in Ontario.

I'm supportive of the bill on the minimum number of elevators, because part of the problem is that we see 50-floor condominiums in Toronto now with four elevators. It is not enough. In our area, I'm aware of a job that has five 15-floor student residences. There is one elevator per 15-floor building. That's not enough. So I am very supportive of the part of the bill on increasing the number of elevators.

The more elevators you have, yes, it costs a little bit more, but there's no way to fix it after the building has gone up.

**Mr. Doug Guderian:** To more directly answer your question about whether the big four elevator companies are the source of the problem: In some cases, yes. There are specific situations that are a real problem. A lot of them—as I said earlier, where we've gone from monthly to quarterly inspections, that's a problem.

We really need a system that focuses on the problem areas. We heard earlier that 98% of the elevators are up and going again within 24 hours. It's that 2% we've got to deal with. But what this legislation is going to do is, for all those ones that we get up and going in a day, it's going to take longer, because we're going to take the resources from them. The average downtime for elevators is actually going to increase if this legislation goes through as written. It's just like when the TSSA changed from monthly to quarterly inspections. That became the bar. Now, for all these elevators that are fixed within a day, the bar's going to be two weeks. Some of the companies will wait until they have a whole bunch of them down in one area, to send a tech to take care of them. That's not going to help things.

**Mr. Wayne Gates:** I'll make a statement. I think what we have to make sure is that we're not putting profit

before safety, including the number of elevators that are in facilities, especially around student facilities.

Maybe you guys can help me on this. My understanding is that one of the challenges we have in this industry is that—again, this could be the companies, the manufacturers. I'm not positive about the number of technicians that we need to do this job. Do we have enough technicians? Do we need more? Do we need more apprenticeships? Maybe you could help me on that.

**Mr. Brian Elliott:** I can comment on that. Currently, our company has almost 60 apprentices in our employment, as we are the largest independent in the province. They have to do 720 hours of theoretical training to get their licence.

Currently in the country—not just the province of Ontario, but in the country—for the non-union sector, there is only one place where you can send them, and that's Durham College. Currently, there are 40 seats. That's it. I'm aware of companies from British Columbia and Alberta that are actually paying a premium to take up some of those seats. Last year, I couldn't get all my apprentices in. The strike was bad enough, but I couldn't get all my apprentices in.

I just don't think that 40 seats is nearly enough to get the techs out there that we need. We need a lot more out there. The only way to do that, as cities grow taller, is to get some more curriculum, more training. We need that out there desperately.

**Mr. Wayne Gates:** The other thing is—

**The Chair (Mr. Grant Crack):** Thank you very much. I appreciate it, gentlemen, your coming before committee this afternoon. We appreciate your thoughts.

**Mr. Brian Elliott:** Thank you.

#### DELTA ELEVATOR CO. LTD.

**The Chair (Mr. Grant Crack):** Next, we have Delta Elevator. Is there anyone from Delta Elevator with us? Andrew Friedel, president and chief executive officer, I believe, is with us this afternoon.

Mr. Friedel, we welcome you to committee this afternoon. You have up to five minutes for your presentation.

**Mr. Andrew Friedel:** Thank you for the opportunity to participate in Ontario's democratic process this afternoon. I'm Andrew Friedel, president and CEO of Delta Elevator Co. Ltd.

Delta has several service branches across the province and is one of the few integrated manufacturers of elevating devices in Canada. Along with the many other small and medium-sized elevator service companies, we deliver a vital service to the people of Ontario.

At Delta, we agree with the goal of improving elevator reliability and availability in the province. We agree that accessibility in multi-storey buildings is a high priority, and we agree that many of the recommendations in the Cunningham report are worthwhile to consider.

Our concern with Bill 8 is in how these goals should be achieved. In particular, we believe that administrative penalties will not prove to be effective. The reason for

our skepticism lies in our analysis of how the industry arrived at the current situation. It is actually a complex problem with many contributing factors.

First, the TSSA has not consistently enforced the rules that it has set for the industry, and has frequently changed the playing field with new regulations.

Then architects have specified inadequately elevated buildings and have placed aesthetics over functionality.

General contractors have installed the least-expensive elevating solutions and have disregarded long-term maintenance implications.

Owners have engaged the contractors with the cheapest maintenance pricing and have traded preventive maintenance for profit.

Consultants have advised owners to terminate effective contracts in favour of less expensive ones and have prioritized reporting over doing maintenance.

Contractors have charged too little for maintenance and have done inadequate preventive work.

1420

The IUEC, the International Union of Elevator Constructors, has restricted the supply of new apprentices and has protected poorly performing workers.

The Ministry of Advanced Education and Skills Development has not adequately planned for retiring tradespeople and has not provided enough apprenticeship seats in the college system.

OCOT, the Ontario College of Trades, has not worked out its differences with the TSSA and MAESD and has not streamlined the apprenticeship process.

The OBC, the Ontario building code, has not addressed elevator requirements for taller buildings and has not adopted standards for today's marketplace.

Finally, municipal planning departments across the province have approved under-elevated buildings and have allowed density to override accessibility.

Here is the key question: How will the hiring of elevator police and the issuing of tickets, no matter how large they are, address these root causes? Our view is that they will not, especially in light of the fact that the TSSA has already used double and triple fees for non-compliance, to no avail.

Another question: Why is elevator availability an issue today? We believe it did not arise suddenly but evolved over a longer period of time after a specific event that triggered the current trend. As a company with 50 years of history, we can confidently aver that the situation has deteriorated since the TSSA reduced the maintenance frequency requirement from monthly to quarterly, without input from the industry, in the 2013 code adoption document. How can anyone expect that the state of elevators in the province will remain unaffected when maintenance requirements drop by two thirds, from 12 times per year to four times per year?

Delta, out of principle, decided not to change its maintenance frequency; we still do monthly preventive maintenance, and there has been no change in the elevator availability among the significant number of units we have under maintenance. In light of this, rather than Bill

8, isn't the best course of action for the TSSA to reinstate the requirement for monthly maintenance? We think that it is.

There are other tools that the TSSA has within its mandate from the province that can be used to address this issue. For example, in the past, the TSSA issued performance ratings to elevator contractors which were very helpful, but for reasons unknown, the contractor ratings were discontinued. We suggest restarting those.

Furthermore, the TSSA has the power to grant contractor licences to companies and trade licences to individual mechanics. If the TSSA grants the licences, then surely they can revoke or deny them to delinquent contractors or mechanics. For a contractor or a mechanic, there is no bigger threat than that—not even a \$1-million fine, as proposed in Bill 8.

Finally, we are fearful that the impact of Bill 8 will be to significantly increase the price of service for most elevators and to make some elevators such a high risk that no contractor will service them. This is because it is inevitable that the cost of elevator service will increase as contractors protect themselves from the heavy fines being proposed. Higher prices for the owner will then eventually have to be passed along to the tenants, which surely cannot be the bill's intent.

Thank you for your time this afternoon.

**The Chair (Mr. Grant Crack):** Thank you very much. We will start with the official opposition. Mr. McDonell.

**Mr. Jim McDonell:** Thank you for coming through today. You've highlighted that there are many root causes, but this bill doesn't address any of those.

**Mr. Andrew Friedel:** That's correct.

**Mr. Jim McDonell:** Even with the increased maintenance, if you haven't got enough techs to do the work, how do you increase the amount of work you do if you haven't got—

**Mr. Andrew Friedel:** Well, that's why this is a complicated problem that a simple solution like administrative penalties won't solve. We need to address it from a multi-faceted perspective, including figuring out how to get more people into the trade.

**Mr. Jim McDonell:** So you have a case where the TSSA will be levelling fines, and there's no comeback other than going back to ask them to review. They are the judge and jury. What's your experience now with the TSSA and how that would work?

**Mr. Andrew Friedel:** As one of the few elevator companies that has multiple branches across the province, we can certainly see the inconsistency that occurs at the TSSA. That's one of the challenges that we deal with on a daily basis. The rules that are enforced in one part of the province are not enforced the same way in other parts of the province. It's very difficult to run a business.

**The Chair (Mr. Grant Crack):** Thank you very much. Mr. Oosterhoff.

**Mr. Sam Oosterhoff:** I had a question about the trades. You mentioned about the four-year apprenticeship and getting more people involved in this. Is it 40 just in

Ontario or 40 across Canada, the spots at Durham College?

**Mr. Andrew Friedel:** There are 40 seats at Durham College, but it's the only program across Canada.

**Mr. Sam Oosterhoff:** It's the only program across Canada. What sort of initiatives has the government taken to address this shortage? I think what we're seeing is that that's one of the main crunches: the lack of human resources in this area. Have they?

**Mr. Andrew Friedel:** Well, there is certainly another college that has been asking us for support in terms of expanding into that area, for sure. So other colleges are showing some interest, and that's a good thing. I think it's not quite—

**Mr. Jim McDonell:** They have to be approved by the province, though.

**Mr. Andrew Friedel:** That's right. The province would have to approve that. We've submitted letters of support, for example. We're doing what we can.

**Mr. Sam Oosterhoff:** And the province hasn't indicated that they're willing to step forward and support that?

**Mr. Andrew Friedel:** We're not aware of yes or no to that question.

**Mr. Sam Oosterhoff:** Could you expand a little bit more about the cost burden that's going to be carried onto tenants because of the increased costs? Do you have any estimations of what sort of percentile increase this could impact? I know that also it's going to be difficult because there are already contracts that have been entered into that are now going to have to—that's going to create issues if you have these additional regulations increasing the costs on top of the contracts.

**Mr. Andrew Friedel:** Sure. Any time you increase the regulatory burden, there's going to be an increase in cost, and that's what's happening here. There are going to be elevator police, who need to be paid for somehow.

As a contractor, we will have to carry more inventory, for example. That costs money, and that money has to come from somewhere. We're eventually going to pass that along as a higher price, and then that's how it gets worked into more costs for tenants.

**Mr. Sam Oosterhoff:** Okay.

*Interjection.*

**The Chair (Mr. Grant Crack):** Fine. Then we'll move to the third party. Mr. Gates.

**Mr. Wayne Gates:** Thanks. Durham College is coming later, so maybe they'll give us an idea of how you get more apprentices. It is an opportunity. Any time we can get young people into apprenticeships, it could be a good thing, whether it's the elevators or mechanics. It'll be nice to hear from them, and hopefully the government is listening.

Question: You say you're all over Ontario. How do you serve the north?

**Mr. Andrew Friedel:** No, I didn't say we were all over Ontario. We have multiple branches across Ontario, yes.

**Mr. Wayne Gates:** Okay.

**Mr. Andrew Friedel:** We don't go north of Barrie.

**Mr. Wayne Gates:** Is there a reason for that, you think? I know what it is, but—

**Mr. Andrew Friedel:** Well, the reason is because we're a small business and we can only grow as fast as we can grow.

**Mr. Wayne Gates:** Okay. One of your comments in here—and we get these usually when you come here. I'm going through this as quick as I can. When they don't give me enough time to properly prepare, I may say some things that you might not like, but that's the way it is.

The thing that's in here: You talk about the number of firefighters who are now rescuing, and you basically blamed it on cellphones. At least that's how I read it quickly. But when you take a look at Toronto, where we are today, Toronto led the way last year with 2,862 elevator rescue calls to 911, to your point. But others have also shared their problems. Montreal firefighters are responding to more calls. Vancouver is responding to more calls. Ottawa is seeing an increase in calls.

I have a very good relationship with the firefighters. They're not telling me that when they get there, the elevator doesn't have problems. They need to rescue people, to get them out of there. I know that in a lot of cases—how many here have been stuck in an elevator? That might be just one of the worst things in the world, I think. It's almost as bad as watching the Sabres play hockey.

At the end of the day, firefighters are answering the call, and in Ontario last year it was 4,500. There is an issue and a crisis in elevators in the province of Ontario, I believe, and we've got to find solutions. Solutions shouldn't be having firefighters, who are there, obviously, to serve and protect, but their main focus isn't to get to people stuck in elevators. We do have a crisis. Do you agree there's a crisis? Do you disagree there's a crisis? Maybe you can help on that.

**Mr. Andrew Friedel:** Well, I actually like what was mentioned earlier. I agree that there might be a problem, but I would hardly call it a crisis. A crisis is an opioid crisis or Fort McMurray burning to the ground. That's what I consider a crisis. If an individual can't get to where they're going, it's a crisis for them maybe, but I would say that Ontario is actually a great place to ride in an elevator. They're reliable; they're available. If they are properly maintained, they last for a long time.

Getting back to the cellphone issue, we just—

**The Chair (Mr. Grant Crack):** Thank you very much; appreciate it. It's a little over.

**Mr. Wayne Gates:** I'm out of time. Sorry.

**The Chair (Mr. Grant Crack):** To the government: Mr. Dong.

1430

**Mr. Han Dong:** Andrew, thank you very much for coming and presenting to us.

Before I begin my questions, I just want to clarify something. I was looking at the appeal schedule in this bill. In section 32.2, there is language or wording about appeals: "The person against whom an order made under

subsection 32.1(1) imposes an administrative penalty may appeal the order to the appeal body by delivering a written notice of appeal to the appeal body within 15 days after receiving the order," and they can do so to the Licence Appeal Tribunal. So there is language about the appeal. I just want to clarify that.

I know Delta does good work. I've heard a lot of good things about the job you do. In your mind, what makes you different? How can you have a much better record to repair elevators, a shorter time, compared to other, perhaps larger, companies? What's the key?

**Mr. Andrew Friedel:** Well, first of all, I don't think it depends on the size of the company; it depends on the approach that you take. As I've outlined in my presentation, the biggest thing was that even though we had an opportunity to make more profit by going to quarterly maintenance, we didn't. Out of principle, we said, "That's the wrong decision for the TSSA to make." So we stayed with monthly maintenance. Of course, the elevators are going to function better if you maintain them more.

The other thing that we do is, we make up some of the gap on the teaching side by having our own internal development program with our employees. We have night schools for them. We have an internal person that delivers that program at our various branches, because we want to make sure we keep them up to date on new technology and solving problems on old technology.

**Mr. Han Dong:** The maintenance schedule is usually dealt with under regulation, because we need to stay more flexible as technology advances. So I agree with you that that's worth a look. I think we should be looking into that.

Coming to HR, do you hire unionized mechanics?

**Mr. Andrew Friedel:** No, we're an independent company that is non-unionized.

**Mr. Han Dong:** To your knowledge, how many non-unionized mechanics are there in the field? What's the percentage?

**Mr. Andrew Friedel:** I think it's roughly 50-50, but I can't base that on any facts that I can give you.

**Mr. Han Dong:** Have you heard from anyone with the notion that we do have enough mechanics in the field?

**Mr. Andrew Friedel:** I think more mechanics would be beneficial, but I would also say that more better-trained mechanics would be even more beneficial.

**Mr. Han Dong:** Okay.

**The Chair (Mr. Grant Crack):** Ten seconds.

**Mr. Han Dong:** That's time?

**The Chair (Mr. Grant Crack):** Yes.

**Mr. Han Dong:** Thank you.

**The Chair (Mr. Grant Crack):** Five seconds. Four—

**Mr. Han Dong:** That's good. Thank you for coming.

**Mr. Andrew Friedel:** Thank you very much.

**The Chair (Mr. Grant Crack):** Thank you very much. We appreciate you coming before committee this afternoon, Mr. Friedel.

**RENNOWN ELECTRIC MOTORS  
AND REPAIR**

**The Chair (Mr. Grant Crack):** Next we have Renown Electric Motors and Repair. We have the vice-president, business development, Mr. Jeff Collins, with us this afternoon. We welcome you, sir. You have up to five minutes.

**Mr. Jeff Collins:** Thank you very much for allowing me to come speak today. I'm Jeff Collins. I'm a partner at Renown Electric.

I'd like to specifically address the notion in the bill that we have 14 days, or the elevator companies have 14 days, for residential elevators, or seven days for long-term health care. I'd like to speak on behalf of a company that provides third-party services to these companies. We're the largest in Canada providing these services, so I think we have a little bit of insight that might be helpful.

So, what is the average repair time? Well, 98% of elevators are in service right now, today. Well over 90% of these elevators are returned to service in just a few days. This time frame is not just about having crews available to take equipment out and then reinstall and replace any repaired parts or units. Many times, third-party companies are required. Major repairs take time to be completed safely and properly. Most often, third-party service companies have other businesses that they service as well, not just elevator companies. The better shops have schedules that are booked well in advance.

Penalized repair pressures from elevator companies will force service providers to stop work mid-production, will cost extra labour to the elevator companies, and the work will have to be done on nights or weekends to accommodate these time restrictions that are proposed in this legislation. The result of this increased cost to the elevator companies or building owners will in turn be passed on to the tenants.

"How will these companies deal with obsolete equipment?" comes to my mind. Some 30% of buildings, still, in the residential and long-term-care market, are running motor-generator sets. These hard-to-come-by, often obsolete units are specialized items that have very long lead times to purchase, have a very specific technique that is required by the elevator companies to service, and require specialized knowledge to be repaired.

Quick repairs on-site often lead to catastrophic failure in short order, once this kind of repair has been attempted. This is one of the many components in an elevator system that are obsolete in buildings that have not been modernized in the last 10 to 15 years.

Many of the old controls are thrown out as part of modernization programs and not saved as spare parts. The current trend is to modernize the building instead, which makes complete sense, but it is not looked at in the time frames here, because there are engineering approvals, tendering and delivery of the new equipment, and these projects often take many months, and not days, to be completed safely.

What about spare parts for each building? This is a possible solution; however, nearly 100% of residential

and long-term-care buildings do not carry any spare parts. The big idea was that you had a spare elevator. This brings us to another problem, single-speed elevators, which are often the only elevator in a building. Plans to remove single-speed elevators, which were likely the highest contributor to the issue that is being addressed in this legislation, were repealed by TSSA after lobbying by building owners.

These very old and usually lone elevators in buildings are mostly obsolete. They often don't level properly, which is one of the main reasons they were being replaced and modernized. Some estimates are that there are roughly 6,000 single-speed elevators in operation in Ontario. All are obsolete; all are running on borrowed time.

I would suggest that these units specifically be taken out of the legislation for repair time-period penalties, or bring the TSSA directive back to modernize these old, obsolete units before companies are penalized for having to take contracts on antique elevators.

Cost competition has reduced elevator prices and service contracts at the expense of longevity. Old DC machines have run for 50 to 90 years. We often repair machines from the early 1900s and regularly repair motors from the mid-1940s and 1950s.

New motors, by comparison, will not last as long. They are made to keep costs down and waits down, which are good for the initial purchase price but not for the longevity of the equipment. Less and less expensive elevator equipment, and more pressure on monthly contract prices, will lead to more downtime in the future. You simply get what you pay for.

Most elevator contracts are written to keep the elevator running, and say that if the unit is obsolete, it is out of the scope of the contract. Therefore, it is going to drive the price of these repairs through the roof for building owners, once they are forced to make quick repairs to avoid penalties or to create modernizations, with typical lead times of 10 to 20 weeks per unit.

Remember that 98% of all elevators are running right now. Most repairs are completed in days, not weeks. By focusing on the few elevators that are down for an extended period of time, you will end up moving crews around, as stated before, to have car repairs done in six to 13 days, to avoid penalties. Most of the elevators that are running today are likely very old and should have been modernized long ago.

**The Chair (Mr. Grant Crack):** Thank you very much.

We'll start with the NDP: Mr. Gates.

**Mr. Wayne Gates:** How are you doing there, young man?

**Mr. Jeff Collins:** I'm good, thank you.

**Mr. Wayne Gates:** Explain cost competitiveness in your industry.

**Mr. Jeff Collins:** In my industry specifically?

**Mr. Wayne Gates:** Yes.

**Mr. Jeff Collins:** My industry specifically is providing a third-party service. If we were able to get

technicians to fill the jobs we're looking for—and we're always actively seeking new employees—our problem is that we may not have enough winders to keep these units running, so we're going to end up having to wind on weekends and nights. That cost is going to be quite high, and we're going to end up having to pass that on. I think that's going to lead to an issue within the industry.

**Mr. Wayne Gates:** We're hearing from everybody that we need more: We need more technicians, we need more expertise, we need more training. It's an industry that needs to be looked at for a lot of reasons. Some of it could be good-paying jobs in the province of Ontario. How do we get there? How do we make sure that we're directing people in that direction, not only for your company but for other companies and for the safety of the residents of Ontario? That's what I'm picking up from everybody who has come to talk about it so far today.

I want to thank you for your presentation.

You note on your website that you offer 24/7 repairs for customers. What is your average time frame for maintenance calls from customers?

**Mr. Jeff Collins:** We reply within 15 minutes of getting those phone calls. It doesn't necessarily mean we're on-site, particularly if we have to go to Thunder Bay. So, depending on where we're going and what type of service we're providing—but we reply within 15 minutes.

1440

**Mr. Wayne Gates:** I want to congratulate you that you're doing that. There was a little spark from my good buddy over here when you said "Thunder Bay," but I asked this question earlier to another company. We have some problems in the north getting our elevators fixed. Do you know about that with your company? How much work do you do up north? Because I'm hearing from a lot of people that that's a big issue up there. Their wait time is a lot worse than the guy who's maybe in Toronto. And that's probably because of cost, too. Maybe you could—

**Mr. Jeff Collins:** Not directly, but as an aside, I used to be a building owner in the north. It's very difficult to actually get elevator service. Often the rental prices are quite low. You're under a lot of pressure to look at modernizing, and elevators are a very expensive problem up there. When there's pressure on rental prices, it's very difficult to look at a new, million-dollar elevator.

**Mr. Wayne Gates:** Off the cuff, elevators are so important. We take them for granted, but I can tell you, every Legion I'm going to now, every church I'm going to now, they need an elevator because people are getting older. I know it's off the subject, but I thought I'd throw it out there anyway. I think it's important to hear.

What do you think is a reasonable time for people to be without a functioning elevator in their residence? It's a tough question, but I thought—

**Mr. Jeff Collins:** Yes, that's a very difficult question to answer. It really depends on the circumstance that you have. I think if there was any way to look at some reasonableness test—if I'm a person in a wheelchair and

I'm moving into a building with a single elevator, I think that's a mistake. That often happens. We get calls like that quite a bit, and there's a lot of pressure on us to get out there very quickly. We do the best we can.

**The Chair (Mr. Grant Crack):** Thank you very much. We appreciate it.

Mr. Dong, from the government side.

**Mr. Han Dong:** Mr. Collins, thank you very much for coming to Queen's Park with your presentation. Just to clarify, my private member's bill did prescribe a timeline: 14 days, and seven days for a seniors' facility. But this government bill, Bill 8, does not have any timeline in it. What it says is that it will expand the mandate of the TSSA so they can start collecting data. Based on the data, they may—the government, not the TSSA—prescribe a time frame. Do you agree with the centralized data collection portion of this bill?

**Mr. Jeff Collins:** I certainly think it should be a negotiated agreement between whoever has the elevator down, the building owner and the contractor who can service the elevator. A reasonable timeline can and should be put in place, and then their feet could be kept to the fire to try to have that done.

Many things get in the way of that, not the craziest of which that happened for us was where we had a truck rushing back on the highway—not speeding, of course—to get a single unit back up and running. Our truck was hit. The motor that was in that truck ended up out on the highway when the bed got torn off the back of the truck, and that motor didn't get back into service. I would hate to see someone receive a fine for something like that.

**Mr. Han Dong:** Do you keep some sort of tracking on how many outages per year, how many on average you serve and how long they're out for?

**Mr. Jeff Collins:** No, but we do keep that on what I refer to as a "things that spin" basis. So we do by address and we certainly do by motor that we receive. But elevators can go down because a call button is out or something. There are many reasons why elevators go out that we see.

**Mr. Han Dong:** I heard this explanation a lot of times, saying that, "The delay is caused by the fact that we have to order a motor or parts from other parts of the world." Why is that? Don't we have supplies here domestically, or even in North America?

**Mr. Jeff Collins:** Well, certainly on obsolete units, it's very difficult to find supply. On brand new units—and I'll speak to this as a motor guy now—most of the manufacturing has moved to China for motors worldwide. The delivery dates are usually in the realm of 12 to 14 weeks. They can be air-freighted over, but even then, generally, elevators are very unique to a building. You can't just pull any one off a floor and stick it in.

**Mr. Han Dong:** Do you think this presents an opportunity for local manufacturers to perhaps expand their production?

**Mr. Jeff Collins:** I doubt local manufacturers could compete in the market nowadays given the cost advantage that they have right now over in China and other

markets. India in particular also has a good motor market. But I do see that if that were to happen, you would have increased costs for sure.

**The Chair (Mr. Grant Crack):** Thank you very much. We'll move to the official opposition. Mr. McDonell.

**Mr. Jim McDonell:** Thank you for coming out. One of your issues—much of your equipment would be delivered to you for work. If you have to rewind motors or if you're dealing with a location that's remote, even if it's a place like Thunder Bay, it's tough to get that equipment back and forth and the maintenance done on it. It's not like you can replace the motor, as you're saying. It's a matter of fixing what you have, and some of it may be very old.

**Mr. Jeff Collins:** Yes, it is. You know, there's a fair bit of intellectual capital that goes into this business. It's not as simple as any motor shop can repair any motor. Most of the motor shops have given up repairing DC machines, which are very typical, or machines with form coils. They gave that up long ago, so people just aren't available in the north, necessarily, to do that work.

**Mr. Jim McDonell:** Nor would there be enough business to justify a business to start up there, I suppose. There just wouldn't be enough of this specialized work.

**Mr. Jeff Collins:** It is very specialized work, and it would certainly be a challenge.

**Mr. Jim McDonell:** I guess there seems to be a need for almost a two-tier system, and people don't like to hear that, but there's no way around that. The distances in some of our more remote locations make it very challenging and very hard to get in with anything other than a truck to transport some of this equipment.

**Mr. Jeff Collins:** Absolutely. We usually send in trucks with cranes to pick up these motors. We have done helicopter lifts in the past. Those all take time to be arranged.

Just to Thunder Bay and back is two days up, two days back. We have a baking cycle, at least two baking cycles in a motor, so if it's a long-term-care facility, we would never have enough time to get a motor in, serviced and back out.

**Mr. Jim McDonell:** What would that time frame take, on an average?

**Mr. Jeff Collins:** On a rush basis, probably 14 days.

**Mr. Jim McDonell:** So your maintenance—I mean, once the motor—

**Mr. Jeff Collins:** From my side.

**Mr. Jim McDonell:** Yes.

**Mr. Jeff Collins:** I'm not talking about putting it in and fitting it out from the elevator contractor side.

**Mr. Jim McDonell:** Yes. But once it's inside your doors, what does your typical maintenance require? Is it a week to work on it?

**Mr. Jeff Collins:** If we're all hands on deck, we could probably get smaller units done in three days, but bigger units, bigger gearless units, like the one you have here in your building or around, if this was to ever get out to commercial buildings or others, those time frames would

be completely unrealistic. You're talking four to six weeks, often, for bigger units.

**Mr. Jim McDonell:** And that's if you have a slot open for time.

**Mr. Jeff Collins:** Correct.

**Mr. Jim McDonell:** Okay. I guess the scheduling you're doing is fairly full, so it's not like, unless it's an out-and-out emergency, that you can just throw something else into the mix and bounce something else that's already there, because they're dealing with time frames with penalties, as well.

**Mr. Jeff Collins:** Correct. We deal with disappointment every day. That's part of our deal, the art of service recovery, absolutely.

**The Chair (Mr. Grant Crack):** Thank you very much. We appreciate, Mr. Collins, you coming before committee this afternoon.

**Mr. Jeff Collins:** Thank you.

#### OTIS ELEVATOR COMPANY

**The Chair (Mr. Grant Crack):** Next we have, from the Otis Elevator Company, Matthew Horton, who is the regional general manager, Canada east. We welcome you, sir, to committee this afternoon. You have up to five minutes.

**Mr. Matthew Horton:** Thank you, Chair. Good afternoon. First of all, I would like to thank everyone for the opportunity for me to appear today regarding Bill 8 as it relates to elevators in Ontario.

I'm Matt Horton. I am the regional general manager for the eastern part of Canada for Otis Canada, Inc. Otis Canada, Inc. is part of Otis Elevator Company, the world's first elevator company and the first to implement the safety brake, technology that enabled safe vertical transportation and changed the nature of buildings and cities forever. We continue to focus on safety and innovation, and we are proud of the approximately 300 dedicated employees in Ontario, and 1,000 employees throughout Canada, who embody these values every day. As a point of reference, Otis provided 54 new elevators and modernized two units for the first leg of the Ottawa light rail transit system.

Just a little bit about myself: I've worked for Otis now for nine years, with increasing levels of responsibility, most recently being promoted to regional general manager of eastern Canada, which includes the province of Ontario.

At Otis, we continue to lead the industry we created more than 160 years ago. We owe our success to our pioneering spirit, a culture of innovation and the trust our customers put in us.

I'd like to take a few minutes to outline the serious concerns we have with Bill 8, also known as An Act to amend the Consumer Reporting Act and the Technical Standards and Safety Act, 2000.

Our industry has worked closely with Deloitte and former Superior Court Justice Cunningham through the government-commissioned report on elevator availability

in Ontario. After many months of extensive consultation, the conclusions reached and recommendations made were clear and concise. Most importantly, Justice Cunningham concluded that, due to a range of reasons, mandatory repair timelines are not certain to improve elevator availability and will cause other problems.

**1450**

Otis would like to emphasize the following specific problems with mandatory timelines.

Firstly, elevator service companies will be unwilling to take on the potential liability of servicing some older elevators, or elevators with known problems.

Service providers will be incentivized to avoid servicing an elevator where they already passed the timeline requirements, so that fines can be avoided at other locations. This may not be in the best interest of the riding public.

Existing customer agreements would need to be reformulated to address the additional liabilities, adding significant cost to tenants, renters and building owners, without improving elevator availability.

Mandatory timelines don't address a major reason for extended outages: older elevators that require parts that need to be manufactured because they are no longer available. In these instances, arbitrary timelines will increase costs but won't put elevators back in service earlier.

Further, Justice Cunningham recommends that Ontario create a modern regulator, which takes on that of a coaching role for industry stakeholders. Instead of mandatory repair timelines, Cunningham recommends that contractors create a plan of action on identifying the outage problems, and creating a plan to bring the unit back in service. Recognizing that the report cites an industry figure that 98% of elevators in Ontario are back in service within a 24-hour period, this plan of action would only apply to elevators out of service for longer than 48 hours. Cunningham states that these recording and reporting measures would incentivize action more than any calendar timeline would.

We are pleased to see the government of Ontario indicate its intent to implement these recommendations. The problem is, Bill 8 includes language that neither reflects the intent of this government, or the recommendations of its report. We are asking this committee to amend Bill 8 to remove the language that seeks to establish time requirements for repairs, and instead ask that the committee include language consistent with the Cunningham report. It should speak to establishing a plan-of-action requirement for communicating elevating device outages lasting more than 48 hours.

**The Chair (Mr. Grant Crack):** Thank you very much, sir. We shall start with the government. Mr. Dong.

**Mr. Han Dong:** Thank you very much for your presentation. Just a few quick questions: What's Otis's maintenance schedule right now?

**Mr. Matthew Horton:** I'm sorry?

**Mr. Han Dong:** What's the maintenance schedule?

**Mr. Matthew Horton:** Do you mean the frequency?

**Mr. Han Dong:** Yes.

**Mr. Matthew Horton:** It varies depending on the type of elevator, the age of elevator—

**Mr. Han Dong:** For condos, for residential.

**Mr. Matthew Horton:** Again, it all depends on the type of equipment that's in there, and also what the customer asks for.

**Mr. Han Dong:** Do you know what the percentage is of those that only practise four times a year?

**Mr. Matthew Horton:** I don't have that information off the top of my head.

**Mr. Han Dong:** In your mind, is there a labour shortage?

**Mr. Matthew Horton:** We don't think that there is a labour shortage. We're certainly always actively looking to improve the skills within the labour force that we have, but we don't see a shortage.

**Mr. Han Dong:** So you have a group of mechanics on the bench, ready to go, any time that they're needed?

**Mr. Matthew Horton:** We use unionized employees, and, yes, the union has a bench of people.

**Mr. Han Dong:** Okay. Good. It sounds like you're very supportive of Justice Cunningham's report and recommendations. The only piece that you're opposing is the mandatory timeline. Is that right?

**Mr. Matthew Horton:** Correct.

**Mr. Han Dong:** Okay. Do you know if, when a mechanic goes out, they also provide, on top of the maintenance, any advice on maintenance plans? For example, if parts are showing some wear and tear, at the next scheduled maintenance, they would advise to replace that part. Do they do that? Do they present a plan?

**Mr. Matthew Horton:** Yes. We actually have an app on all of the mechanics' phones where they can make those requests. We also have our supervisors that will oversee a group of mechanics. They also will go out and they'll do the same. They'll review buildings. On top of our prescriptive maintenance program, they can add in a task for a mechanic to do, something particular that may not be scheduled on their next visit. They can add things in as they go.

**Mr. Han Dong:** And that could include a part that they may have to order from other parts of the world, right?

**Mr. Matthew Horton:** It could, yes.

**Mr. Han Dong:** Okay. Lastly, do you think that centralized collection of elevator outage data is the right way to go?

**Mr. Matthew Horton:** Yes, I see the benefit of it. I think we just need to be careful on how we get there. Different companies have different technologies and different methods in which to collect that data, so I think there needs to be some consideration paid there.

**Mr. Han Dong:** Your company is obviously doing quite well in Ontario?

**Mr. Matthew Horton:** I'm sorry?

**Mr. Han Dong:** The business is quite well? Your company is doing quite well in Ontario?

**Mr. Matthew Horton:** Yes, no complaints here.

**Mr. Han Dong:** Great. Thank you.

**The Chair (Mr. Grant Crack):** We shall move to the official opposition. Mr. McDonell.

**Mr. Jim McDonell:** Thank you for coming out today. Any reason why you'd see the government commission a report like the Cunningham report—it was very costly, and necessary—but then not use it in the formation of this bill? It doesn't seem to make much sense if you commission a report and then issue your legislation and not consider it.

**Mr. Matthew Horton:** Yes, and I think that was one of the points we made. One of the asks that we, as Otis, have is that the report, as it's written, be considered.

**The Chair (Mr. Grant Crack):** Mr. Oosterhoff.

**Mr. Sam Oosterhoff:** Along that line, the report that was drafted: Are there other areas where you feel the government should have followed more recommendations from the report? Do you feel that the recommendations were followed appropriately?

**Mr. Matthew Horton:** The couple of points that I made, those are the ones that are most concerning for us. We want to make sure that however it goes in place, it follows exactly how Cunningham has written it.

**Mr. Sam Oosterhoff:** On that line, would you say that Otis was properly consulted before the bill was tabled?

**Mr. Matthew Horton:** Through Justice Cunningham, yes. I think he did a nice job of getting out and talking to all of the companies.

**Mr. Sam Oosterhoff:** So Justice Cunningham yes, but the government itself: Do you feel that the government spoke with industry, yourself in particular but also broader industry stakeholders, sufficiently? Because there have been concerns brought forward to the committee on the lack of consultation.

**Mr. Matthew Horton:** I don't know exactly all the efforts that went on, so I'm not sure I know all the details on that to be able to comment.

**Mr. Sam Oosterhoff:** Okay. TSSA: There have been concerns brought forward about the TSSA and some of the concerns surrounding—I think someone said it's judge, jury and executioner all at once. Would you say you have any concerns with the TSSA or the expansion of these additional powers?

**Mr. Matthew Horton:** We in our industry work with the TSSA. For us, this isn't about the TSSA. We need to work with them. We do everything we can to make sure that we're aligned with the TSSA and their expectations. Really, for us, this isn't an issue of the TSSA.

**Mr. Sam Oosterhoff:** The other thing I was sort of surprised to hear you talk about, building off MPP Han Dong's question about human resources: You have not had any human resources struggles to find technicians? We heard some concerns about Durham College and the limited amount of seats there.

**Mr. Matthew Horton:** Again, we don't see there being a labour shortage. I'll make my point again: We're always looking to upgrade the skillset of all of our employees, not just specific to elevator technicians.

**The Chair (Mr. Grant Crack):** Thank you very much. We shall move to Mr. Gates.

**Mr. Wayne Gates:** I'll just follow up on that one, because it's interesting that everybody else is saying that they do have some labour issues. Then you said that—and this isn't just about unionized employees, because some of the presenters before you have non-union. But you said that in your particular business, it's all unionized, and you don't feel there is a shortage. But when I read some of the documentation here, it talks about—and then I'll get to the question—"Thirty years ago, he said, a technician would typically service about 35 to 45 elevators ... a month. The maintenance contract included everything needed to keep the elevators humming—excluding extraordinary events like flooding or vandalism." Here's the one that says now, which is interesting to me: "Nowadays, he said, that same contract might be worth" less money, with each technician now responsible for 100 elevators.

My question to you is, you say you don't have any issues, but it's my understanding that the unions themselves are saying, "We need more technicians." Would that be a fair statement and an accurate statement coming from the unions that are working for you as well?

1500

**Mr. Matthew Horton:** Yes, so the union supplies more than just Otis, so I can't necessarily speak for their greater perspective, but from Otis's perspective, we don't have a shortage.

**Mr. Wayne Gates:** Interesting. I'll just leave it at that.

What share of the market does Otis Elevator Co. have currently?

**Mr. Matthew Horton:** First of all, I don't have the data in front of me, and we don't really have great ways of knowing and understanding the share of the market we have. Certainly there are different business lines that we have too, and in some cases it's next to impossible to really know that for sure.

**Mr. Wayne Gates:** Is it fair to say that Otis, as well as the other four that are the big players in this industry, is a multinational corporation?

**Mr. Matthew Horton:** Correct.

**Mr. Wayne Gates:** And is it fair to say that over the course of a number of years, they have had some issues and have faced some fines, not necessarily in Canada but in other jurisdictions around the world? Are you aware of that? Or you don't have that in front of you?

**Mr. Matthew Horton:** I don't have any of that information.

**Mr. Wayne Gates:** I'm just going off my paper here. I believe that it's probably accurate, but I thought I'd ask.

What do you think is a reasonable amount of time for people to be without functioning elevators in their residence?

**Mr. Matthew Horton:** It's an incredibly difficult question. I think what we strive for is to have all elevators running all the time. In the cases where an elevator does shut down, we try to do everything that we can to make sure that we minimize that time.

**Mr. Wayne Gates:** And the most important thing to your company is always safety?

**Mr. Matthew Horton:** Safety is number one.

**Mr. Wayne Gates:** What do you believe are some solutions for residents, seeing as you're in this business, who face elevator outages for several weeks?

**The Chair (Mr. Grant Crack):** Very quickly.

**Mr. Matthew Horton:** Sorry?

**Mr. Wayne Gates:** I'm a resident; it's going to be out for several weeks. Do you have any solutions that you think might help them—I know the colleague over there talked about having outside hydro, similar to like they have in hospitals. Do you have any idea what would help residents who are facing these types of crises every day?

**Mr. Matthew Horton:** Yes. Certainly I would encourage them to look at—if you're an owner in the building, to look at investments and how you're managing the building. That's certainly part of it, and partnering with the elevator company specific to that elevator to figure out what we can do in the event that it goes down and it's going to be for an extended period of time.

**Mr. Wayne Gates:** Thank you, sir.

**The Chair (Mr. Grant Crack):** Thank you very much, Mr. Horton, for coming before committee this afternoon.

#### KONE CANADA

**The Chair (Mr. Grant Crack):** Next we have, from Kone Canada, Mr. Kelly Leitch, who is the president. We welcome you, sir. You have up to five minutes for your presentation.

**Mr. Kelly Leitch:** Thank you for allowing me to attend the committee this afternoon, Chair. My name is Kelly Leitch. I work for Kone Canada. I'm the president and CEO. Kone is a Finnish company, 108 years old, based in Finland. Our history in Canada goes back to when we entered Canada via the purchase of Montgomery Elevator in 1985.

Currently, we operate coast to coast, supplying new elevators, service and modernization, with over 1,000 employees in Canada and about 400 of those in Ontario.

Just a bit about my background: I studied mechanical engineering at the University of Toronto. I'm a professional engineer. I've been in the elevator industry for 26 years. I've led the Canadian business for Kone for the last eight years. One of my primary responsibilities—and we will all agree today—is the safety of the riding public and of the technicians that service the owners' equipment throughout the province.

Kone is a member of the National Elevator and Escalator Association, representing four large contractors. The association deals with issues affecting safety, negotiations, and elevator and safety code enhancements and changes. NEEA—those four companies that started, really, as a bargaining unit—provides service to approximately 50% of the elevators in Ontario.

It was already mentioned, but I just wanted to give a bit of a background on the TSSA. They introduced the

maintenance control plan about four years ago. This was done with little to no consultation with the industry. While the basis of the maintenance control plan has been in other jurisdictions, it was introduced, as I said, with very little time to interact and understand how the changes would go on.

We talk about the gaps. We have actually invested more hours into elevators since prior to the MCP, not less. But during that same time, we have had, with the adoption of the MCP, compliance issues, while I'm pleased to say that during that same period, the amount of injuries related to the safety of the elevators for the riding public has decreased consistently year over year in the last years.

Challenges four years into the introduction: We are still dealing with the administrative challenges and significant issues of putting the costs to the building owners of this increased work that came with the MCP. The TSSA has not been able to successfully work with us to make sure the owners understand their responsibilities and part of the issue of the compliance.

We've talked a lot about the concerns we have with Bill 8. I'm glad to hear several people speak today, and I'm in agreement. I was pleased to take part, once the report was commissioned on behalf of the MGCS, and was involved in a few meetings, with Deloitte, with several stakeholders. Over those days, we were able to establish the true complexity of the root causes of what we're talking about, that 1% to 2% of elevators that are out for an extended period.

The group that was able to share with us was building owners, architects, rental associations, consultants and contractors. All came to the agreement that dealing with it by talking about timelines and fines is not a workable solution. I heard the reference to root cause. It's important that we stay on it.

One of the issues we may speak to is the issue of not only servicing obsolete—I think everyone understands the challenges of an older fleet of elevators throughout the province but it's also, as we've gone vertical in Toronto in the last years, under-elevated buildings and the strain that provides on the existing—now two elevators serving up to 40-storey buildings and condos.

As we talk about the report, having reviewed it, we are supportive. While there are very many challenges even to understand how we proceed with data, I think it's important to understand that we are willing to work. I think the industry demonstrated its willingness to come and have good input.

The timelines are concerning. We've heard that repeatedly. We all want to address it and make sure we get rid of that 1% to 2%.

I wanted to mention a few other points, and it's not taken lightly. We are in public transportation, all of the companies—union, non-union, independent and major companies. Safety is the number one priority of our riding public and our technicians who are in these elevators every day.

I want to make the comment: While the sourcing of technicians is different for the unionized sector, the

unionized sector, back over 40 years ago, created the elevator industry education program, and that is funded by the industry and the apprentices.

**The Chair (Mr. Grant Crack):** Thank you very much. We appreciate your comments.

We'll begin with the NDP. Mr. Gates.

**Mr. Wayne Gates:** Thank you very much. How are you, sir?

**Mr. Kelly Leitch:** Very well, thank you.

**Mr. Wayne Gates:** I'm just going to start on something on Bill 8, and then you can add comment whatever way you like after I read this out.

Bill 8 ignores the number one recommendation made by Justice Douglas Cunningham in his new report, which clearly defines elevator availability. Cunningham said that a clear definition was crucial to serve as a guide for regulations and for policies that move beyond just elevator safety but to a broader public mandate of availability.

Do you have any comment on that?

**Mr. Kelly Leitch:** I think that in the time that he spent with the industry, he was led to understand the root cause of what we're trying to discuss, is that 1% to 2% of elevators that are down for an extended period, for very many varying reasons.

When he started to understand the main complex issues, he started to understand that the repercussions across the entire industry would be significant. We're trying to talk about consumers and tenants living in homes. We would be vastly changing the cost structure that would be passed through to them.

**Mr. Wayne Gates:** Okay. Another business manager from Local 50—I'm put back a little bit because I have union people saying one thing, non-union people saying another. The non-union people and union people are saying, "We need more techs." How do we get there? Is that through college? I look at it as a great opportunity to get young people into apprenticeships and maybe get them some good-paying jobs. I'm looking—

**Mr. Kelly Leitch:** It's a terrific trade.

**Mr. Wayne Gates:** Yes. I'm looking at that.

It's interesting from the union side—I don't have anything from the non-union side because they didn't send anything: "Some landlords are simply unable or unwilling to spend the needed money. But the real problem, he said, is that routine maintenance has gone by the wayside as overloaded technicians attend to only the most pressing problems."

1510

Again, this is a business agent who complains about "the dominance of a few big players in the tight-knit industry" who are more interested in their bottom line, rather than customer satisfaction or the riding public.

Maybe you can address that. Do you believe that we need more qualified, well-trained technicians in this industry? Do we need more apprentices? What do you think is wrong with the industry today that could be fixed? Obviously you've got different people saying different things. It doesn't make sense to me, but you would think that you guys would all agree whether we have enough technicians or we don't have enough technicians.

**Mr. Kelly Leitch:** I think it's an excellent trade. Unionized or non-unionized, it's an excellent trade. I understand the challenges from the non-unionized sector of meeting their needs though 40 positions at Durham, absolutely.

The apprenticeship program that we've supported for decades does allow the unionized sector full apprenticeship training through to our staff. What I'm talking about, what I would make as a comment, is that we have faced unprecedented growth in Toronto in a vertical way. Fifty-storey buildings are more complex than two-storey buildings. My comment would be on the skills that we need to talk about as an industry. How do we constantly raise the skills to meet the increasing demand of the next decades? Because we've seen such growth in recent years, and the growth is only accelerating in Toronto. I would suggest that would be the increasing demand.

**The Chair (Mr. Grant Crack):** Thank you very much. We'll move the government side. Mr. Dong.

**Mr. Han Dong:** Mr. Leitch, thank you very much. It's great to see you in person. I think we spoke on the phone. You are also the president of NEEA, right? Or you were?

**Mr. Kelly Leitch:** Yes, I am.

**Mr. Han Dong:** My team and myself did try to reach out to consult with NEEA. We ended up meeting with NEEA's representative before I finalized my private member's bill. I think your company or NEEA were included in the consultation process led by Justice Cunningham before the completion of the report. You guys worked very closely together. The report was commissioned by the ministry through TSSA. I think a consultation effort was shown on the side of government.

But I'm going to ask a quick question. Do you think there is a problem with elevator outage and elevator availability in Ontario?

**Mr. Kelly Leitch:** Echoing what I heard earlier, do we strive for 100% operation? Absolutely. We're aware of elevators that go out of service, but the few examples that we've talked about—obsolete, age of equipment or the lack of an owner willing to put in investment in the building—are challenges. Single-elevator buildings are still being built; I heard a reference to 15-storey buildings.

Now we go forward and we have elevators under service in buildings that have 40 storeys and two elevators. When they get modernized, the modernization process will leave a 40-storey building with one elevator for probably six to eight months. This is—

**Mr. Han Dong:** I don't mean to be rude, I don't mean to cut you off, but I have three minutes to work with. I just want to get as many questions in as possible.

This is not unique to Ontario, I take it. It's happening around the world, right? All major urban centres?

**Mr. Kelly Leitch:** Yes. Part of our recommendations is to check around some of the biggest cities in the world to see how they're coping with vertical growth.

**Mr. Han Dong:** Okay. The 1% to 2% you keep referring to: Is that over all of the devices that you service or that's just residential condominiums?

**Mr. Kelly Leitch:** That would be overall. What I've seen in the last information that the association was to provide to Deloitte showed that, in the last four years, the amount of breakdowns has actually improved by 23%. So we're actually further enhancing the downtime. We're reducing the downtime.

**Mr. Han Dong:** Okay. The percentage shown by the report was that elevators in condos are available only 93% of the time, which means that in a year, for 26 days on average, one elevator in one condo will be out of service. Are you aware of that?

**Mr. Kelly Leitch:** No, I think the data we supported did not show that.

**Mr. Han Dong:** Okay. Thank you.

**The Chair (Mr. Grant Crack):** Thank you very much. We'll move over to the official opposition. Mr. Oosterhoff.

**Mr. Sam Oosterhoff:** I was wondering if you could touch base a little more about that concern that you expressed regarding 40-storey buildings with two elevators and some of the obsolete systems that are being replaced. Could you speak a little bit about the timeline for some of these replacements, and the impact that will have?

**Mr. Kelly Leitch:** Certainly. As I said, I think the strain we see that has changed in Toronto in the last generation has been vertical. With elevators in buildings that might have typically had four elevators, they've gone to three and two. So as the cycle and the demands on those elevators in this modern world—it's even more challenged: more operation, more cycles. The modernization cycle—from maybe 20 or 25 years, we might see it reduced. When you start to replace the components in an upgrade—whether it's the machines, the controllers or the door equipment—that takes multiple weeks. So once you remove an elevator, it will be down for multiple weeks until it's back up in operation after re-licensing. Then the second elevator would be done. So these buildings could see periods, with one elevator down, when you're down to one elevator.

**Mr. Sam Oosterhoff:** Could you also touch base on the TSSA and some of the concerns that have been raised about the lack of accountability in the TSSA? I should rephrase that: the concern about being a judge and jury at the same time.

**Mr. Kelly Leitch:** Yes, I think they're a stakeholder in the industry and a big change of MCP was introduced in a very forced manner. It has big repercussions not just through the servicing industry but the building owners. We've implored them to help us help the building owners understand the increased responsibilities. When we talk about data, of looking forward on availability, the availability and data they have right now is not sufficient, and it's been questionable.

**Mr. Sam Oosterhoff:** Another question I had for a former députant was surrounding the cost burden of this, the additional regulation and where that's being passed along. He didn't have an actual number, and I get that that's a very difficult thing to quantify, but do you have

any idea what sort of costs? I know that would vary depending on the situation, but what's a rough percentile that this would increase the cost of installations in buildings that ultimately has to be passed along in rent or condo fees?

**Mr. Kelly Leitch:** The challenge with elevators that this entire industry is maintaining, which would go from one year old to 90 years old, is this: How do we supply parts? How do we have parts available to keep elevators running, let alone re-engineer if they actually stop?

To look at a timeline to deal with the risks to the businesses, we would have to increase the cost across the entire portfolio, not just say, "Well, we're going to deal with 1%." So it is significant.

**Mr. Sam Oosterhoff:** Thank you.

**The Chair (Mr. Grant Crack):** Thank you very much, Mr. Leitch, for coming before committee this afternoon.

**Mr. Kelly Leitch:** Thank you very much, Chair.

**The Chair (Mr. Grant Crack):** Much appreciated. Have a great afternoon.

#### SOUTHCORE COMMUNITY ASSOCIATION

**The Chair (Mr. Grant Crack):** We shall move to our next delegation, Southcore Community Association and Mr. Vuong, who is the chair. We welcome you, sir, to committee this afternoon. You have up to five minutes for your presentation.

**Mr. Kevin Vuong:** Great. Thank you, Mr. Chairman. My name is Kevin Vuong, and I'm speaking to you as chair of the Southcore Community Association. We are a residents' association that's south of the financial district, which nearly 10,000 Torontonians call home. I'm also speaking to you from my experience serving as president of a board for a condo corporation for nearly eight years.

Just to give you some context, I just want to lay the ground here. We are a vertical community of, particularly in my condo, 52 floors. Think of it as 52 stacked streets, a subdivision all in one quarter of a square block that over 1,500 Torontonians call home. We are fortunate enough to have five elevators. Throughout my entire tenure since turnover—that is, from when the developer transitioned the ownership of the condo corporation over to the owners—we have never had a month where we have not had an issue with an elevator.

We had, actually, an issue a few months ago where three out of five of our elevators were down. As a condo corporation, we were fortunate enough to have the financial means to invest in other ways to try to alleviate the crowds that led to as a result. We opened up our stairwells and we invested in an additional security guard to stand there and ensure that we were providing access in a way that continued to maintain the safety and security of our community. Not all condos, not all vertical communities, have this ability to do so.

We were also fortunate that we have a professional property management office, which advised us, and we took this advice to invest in an independent elevator

consultant. This elevator consultant then audited our five elevators to check and see if the maintenance that we had paid for was being done. The results that came back provided us with the data to then take back to our elevator vendor, thyssenkrupp, to show them that the maintenance that we were paying for was not being done. Not all vertical communities have the means to be able to do this.

1520

I can tell you, as the chair of our residents' association, that, particularly across our downtown Toronto core community, that is also the case. I organize a group—we loosely call ourselves the downtown Toronto neighbourhood associations. These are all the resident associations across the downtown core, approximately a quarter of a million Torontonians. Elevators are consistently an issue throughout all of our vertical communities.

For us, it's not just a convenience issue, it's not just security, it's also safety. The Canadian Medical Association Journal published a study that said that if you live below the third floor and you have a heart attack, your survival rate is 4.2%. When you live between the third and 16th floors, your survival rate is 2.6%; 17 to 25, 0.9%; and if you live above the 25th floor, it's zero. We were lucky enough to, again, have the means to be able to invest in AEDs, defibrillators, and train our staff so that should any of our residents have an issue, our staff are ready to act. Again, not every vertical community has the means or the wherewithal to be able to do that.

We are in strong support of Bill 8. And I'm here today telling you from a community perspective that our downtown Toronto community is in strong support of the need for the act, for additional regulations, to ensure that the services that we're paying for—the maintenance, the reliability that we depend on, not just to get home but to be kept safe in the case of some sort of emergency or crisis—are being done.

**The Chair (Mr. Grant Crack):** Thank you very much. We appreciate it.

We are going to start with the government. Mr. Dong.

**Mr. Han Dong:** Kevin, it's great to see you here. All afternoon so far, we've heard from experts from the field talking about cost, which is very important. But I think what's more important are the lives and the challenges from people who actually use these devices to get home.

Very quickly, do you hear from other buildings—because I know those buildings have been there for 10 years at least?

**Mr. Kevin Vuong:** Yes, 10 years across our community. Mine is the newest, at over seven years.

**Mr. Han Dong:** Over seven years?

**Mr. Kevin Vuong:** Yes.

**Mr. Han Dong:** Do you know if elevator outages are a problem unique to older buildings, or are even the newer buildings having problems too?

**Mr. Kevin Vuong:** It's not unique to age; it is an issue that's consistent across all vertical communities.

**Mr. Han Dong:** In your view, is a timeline prescribed based on data collected by the TSSA—that's what the bill is proposing—a reasonable measure going forward?

**Mr. Kevin Vuong:** I think it's not just reasonable, I think it's needed. We as a community and as a board have had few mechanisms to really go back to the vendor to be able to do anything. So this is an incredible tool that we need to ensure that action is being taken.

**Mr. Han Dong:** Have you had residents with disabilities or seniors—what do they do when an elevator goes out? What kinds of options are there?

**Mr. Kevin Vuong:** A couple of my residents are in wheelchairs. Those with mobility needs cannot take the stairs, even if we open them up. So there's nothing that they can do but sit and wait.

**Mr. Han Dong:** Yes, it's very sad that they actually have to go through that.

Through the management or with your board members, what are the things you do to increase access for first responders to a residence? Because I heard you say that it's very dangerous if you live above the 25th floor or 24th floor.

**Mr. Kevin Vuong:** Our staff have prepared different kits to ensure that all the information and different keys are available in a first-responder situation. They should be standing by if there is an emergency situation for a first responder to come. But that doesn't matter if the elevator isn't working for us to bring down to the main floor. Those seconds that pass can impact somebody's survival rate.

**Mr. Han Dong:** Last question: You talked about timelines being necessary, but what if the cost for maintenance will have to be increased—I don't know how much—later on? What would your residents say? What would the owners of the condo say?

**Mr. Kevin Vuong:** As a condo board, we have invested over \$10,000 in the elevator consultant ourselves. That is a cost that our residents are not only fine with but actively support. I think this is an issue that is so wide-ranging and which regularly impacts us that people are ready and willing to invest in a better solution.

**Mr. Han Dong:** Thank you.

**The Chair (Mr. Grant Crack):** Thank you. We appreciate it. Official opposition: Mr. McDonell.

**Mr. Jim McDonell:** I reside here in a building that's 60-some storeys and was built in the 1950s. It has four elevators. I know in the short time I've been here they've replaced all four elevators and every one took three months, minimum, to replace, just like down the hall here. Every time they replaced an elevator—it's only four floors—it would take three-plus months. There were times when other elevators broke down, of course, sometimes two.

I guess I'm a little concerned now, as an owner of that building, of a condo, you'd be liable for many of the charges under this for not providing what the government could consider adequate elevator services, although, through no fault of their own, they have no choice.

I know you have a building that's seven years old and you're spending \$10,000. You can imagine dealing with buildings that are 40, 50 or 60 years old and what the options are, and many of them only have one elevator.

I guess I'm a little concerned about the costs and how willingly people would accept them. It's something that we've heard from many elevator companies. They're very hard to maintain, especially if you're not within a couple of hours of Toronto.

**Mr. Kevin Vuong:** I can tell you, from a condo board perspective, we already are being held responsible. We are already the ones who pay for the costs of not just the maintenance but any sort of emergency measures that we have to take part in—elevator or alternatives. We are already paying the costs of that. When we deployed additional guards to open up the stairwells for those who were lucky enough and able-bodied enough to be able to take the stairs up—again, people were willing to invest in that and people were supportive of that measure.

**Mr. Jim McDonell:** And I can see that in some affluent areas, but at different stages of my life I've been much less affluent, to say the least. I know in places I've been at, especially as a student, I chose lower-priced areas. The residence only had four floors but one elevator that was down and sometimes taken out of service just so we wouldn't use it. That would be my preference versus paying considerably more for a place that would have a guaranteed elevator.

I guess I wonder about sometimes putting a rule across the board that one size fits all where, really, you have a problem, especially with low-income housing in this province, and we take them out of service, just because it would drive up the cost in many of our older buildings, which actually provide a useful service in providing lower-priced housing.

**Mr. Kevin Vuong:** Absolutely, and definitely I think every vertical community is unique. I think there's a big part of the bill—I can't remember exactly which line—that focuses on the standardization of the contracts, that strengthens it. Right now, it's actually quite haphazard, where every vertical community will get a different contract.

We started off—I can tell you, from our perspective—just assuming that the contract we were being offered by the elevator vendor was just one that was fair and good. We took that in good faith. Working with our elevator consultant, we realized that it was not. Go figure. So instead, we were equipped with a better contract ourselves.

I think, in terms of looking at those vertical communities that might not be as financially strong as ours, having a standardized contract that is fair will make it much easier to navigate regardless of whether or not they have the financial means to invest in additional supports.

1530

**The Chair (Mr. Grant Crack):** Thank you very much. We appreciate it.

We'll move to the third party. Mr. Gates.

**Mr. Wayne Gates:** How are you, Kevin?

**Mr. Kevin Vuong:** Good.

**Mr. Wayne Gates:** Thanks for your presentation. I appreciated all your efforts on the previous private member's bill that you did, which this House reviewed.

In your opinion, why is it so important to have timely repairs for elevators?

**Mr. Kevin Vuong:** I think timely repairs for elevators are important first and foremost for safety in emergency situations, but then also access for those who aren't able-bodied, who aren't lucky enough to be able to take the stairwell. I think a lot back to residents of mine who are in a wheelchair, who literally cannot take—there is no other option, other than to wait. All of us who are lucky enough to have a home should not have something that infringes on our ability to access that.

**Mr. Wayne Gates:** I've got to tell you a quick little story, if you don't mind. As we know, more and more seniors are living in high-rise apartments, some because of cost and affordability. A constituent of mine was negatively affected by an elevator outage. When I spoke on this bill during second reading, I addressed her story. She has mobility issues, and she was without a functioning elevator for over four weeks where she lived. She ended up having to live in a ground-floor motel for that period of time, the reason being that obviously she couldn't do the stairs because of her issues. Do you think it's fair that she had to live without functioning elevators for four weeks?

**Mr. Kevin Vuong:** Not at all. In fact, this reminds me of a story of another downtown resident I know who missed a dialysis appointment because of an elevator outage. Impacting health and safety during times of crisis, I think, is unacceptable.

**Mr. Wayne Gates:** Yes, it's pretty sad when you think of it.

You touched on an issue that I know my colleagues here might not agree with. Affordability, obviously, becomes an issue. Having said that, do you believe that having functional elevators and making sure they're safe, particularly for those with accessibility issues, seniors and those with health issues, including people who have heart issues—do you believe a tenant would pay a little more to make sure that happens?

**Mr. Kevin Vuong:** If you look at the bigger picture, there are a lot of people who understand that it's important to invest now to save more later. I think that's what this bill is really about. I can't recall anyone I've spoken to who is not willing, nor do they not see the value in spending a little to save a lot later. I think that's what this bill does.

**Mr. Wayne Gates:** Do you believe that the government needs to make it clear that outage periods of several weeks, or even months, are unacceptable?

**Mr. Kevin Vuong:** It is completely unacceptable to be unable to access your home, to go to a dialysis appointment or anything.

**Mr. Wayne Gates:** And—

**The Chair (Mr. Grant Crack):** A quick one.

**Mr. Wayne Gates:** That's okay. I just want to compliment you, because everybody needs somebody who will stand up for those who can't stand up for themselves. I just want to say thanks for doing this, and thanks for being there on I think it was Bill 109, when you were

here for the last one. I congratulate you. You're a good young guy. I'm seeing that, too. Good work.

**Mr. Kevin Vuong:** Thank you, MPP Gates.

**The Chair (Mr. Grant Crack):** Thank you very much, Mr. Vuong, for coming before committee this afternoon. It's much appreciated.

**Mr. Kevin Vuong:** Thank you.

### RECEIVABLES MANAGEMENT ASSOCIATION OF CANADA INC.

**The Chair (Mr. Grant Crack):** Next we have the Receivables Management Association of Canada Inc. We have the president, Mr. Steve Sheather, with us via teleconference. We welcome you, sir. I would just like to say that we did receive your written submission, and the Clerk is proceeding to hand it out to all members of the committee. You have up to five minutes for your presentation, and the floor is yours.

**Mr. Steve Sheather:** Thank you very much, Mr. Chairman. Good afternoon, members of the Standing Committee on General Government. Thank you for giving RMA/ACGC Canada this opportunity to discuss further, through these public hearings, our submission to Minister MacCharles in relation to billing, specifically provisions concerning the Consumer Reporting Act.

If I may, a very short introduction on RMA/ACGC Canada: We are a national association representing the business and policy interests of Canada's credit grantors, financial institutions, telcos, credit card issuers, debt buyers and sellers, collection agencies and the attendant service providers through the receivables industry in Canada. RMA/ACGC members comprise a sizable segment of Ontario's business community.

In light of time constraints in today's meeting, rather than discussing all the points raised in our submission, I will highlight RMA/ACGC's concerns regarding the implementation of a credit freeze at the request of the consumer to help reduce identity theft. RMA/ACGC has met with a policy adviser in the office of the Minister of Government and Consumer Services prior to today's meeting and shared with that representative the totality of our concerns. An overall comment regarding the legislation is focused on the policy specifics provided for in its implementation.

I will highlight our concerns regarding the lack of specifics in my comments on the implementation of the credit freeze. Our first concern is that the definition of a security freeze is not defined. Is it such that any business organization, individual or government body is effectively banned from the review of an individual's report, in spite of the fact that the individual has already provided consent to existing creditors to review same? Quite simply, will there be a cut-out for existing creditors?

If an individual's current credit behaviour with existing creditors is frozen, how can the continuation of the credit provided continue in this case by any credit-granting institution in determining both risk to the credit granter and/or improved credit behaviour on the individ-

ual's part, thereby gaining an increase in said credit facility or an improvement in terms?

In some cases, a freeze may aid to restrict fraud abuse. In some cases, it may exacerbate it. Example: In the case of a consumer who does not have a freeze on his report, what of a fraudster who can assume this individual's identity through common tactics like the assumption of one's identity, account takeover or true name fraud, and then the fraudster places a freeze on the account he or she has assumed?

How does a freeze affect subpoena powers, a government administrative rule or an enforcement officer needing access?

How is a creditor to deal with an individual who has filed bankruptcy or consumer proposal proceedings? If the credit report is off-limits, does this not work against both creditor and consumer? Frankly, how does the trustee access the necessary information?

Our submission details other relevant concerns with the credit freeze as well as concerns over disclosure requirements and consumer scores which I have not discussed because of time constraints.

RMA/ACGC have attempted to draw attention to improving the consumer relationship with the credit-granting community. We believe, as an organization, that the government of Ontario should implement legislation protecting consumers as well as fostering job creation and economic growth. We are keen to partner in developing acceptable legislation.

Thank you for having this opportunity.

**The Chair (Mr. Grant Crack):** Thank you very much. We appreciate that. We'll begin questioning and comments with the official opposition. Mr. McDonell.

**Mr. Jim McDonell:** Quick question: Were you involved in any stakeholder consultations before the legislation was put out?

**Mr. Steve Sheather:** No.

**Mr. Jim McDonell:** So the government did no stakeholder consultation.

Sam would like to ask some questions.

**The Chair (Mr. Grant Crack):** Mr. Oosterhoff.

**Mr. Sam Oosterhoff:** I was just wondering if you could specifically expand a little bit about the concern—if I'm reading your briefing correctly—about giving consumers online access to their current consumer score at least two times a year, free of charge. Did you have a concern about that? I was wondering if you could build on that, because the brief is not completely clear.

**Mr. Steve Sheather:** Not at all. Let us be perfectly clear about that. That is not an issue. It is certainly something that would be beneficial.

I believe that the issue is, how does that happen? I think that herein are the concerns that we have over the bill. Again, the principle, as a stand-alone, is a good one, but how does that happen? I think that if the bureaus are going to be involved, then there's going to have to be some time involved here in order to allow that to happen, and there are going to have to be tremendous security provisions put into place to ensure that, indeed, the

individual who is inquiring is the same individual who is receiving.

The principle in and of itself we would support completely. It's not the principle; it's the old adage that the devil is in the details.

**Mr. Sam Oosterhoff:** So, following up on that, I know Trans Union earlier today expressed some concerns surrounding privacy as it relates to having to provide email addresses. They felt that this sort of information shouldn't be provided through email addresses. Could you expand on that, maybe, if that's a concern that you have surrounding privacy? Obviously, we've seen the importance of online privacy with the whole Equifax issue and everything else. Could you just expand on that a little bit?

**1540**

**Mr. Steve Sheather:** Well, I'm a tad confused, because I think in the context of disclosure of the name and contact information, including the address, telephone number and email address of every person on whose behalf the file has been accessed within the three-year period preceding a request—okay, so let's look at this from a practical standpoint. Let us assume that it's a major bank; it will go unnamed. Does this go all the way down to the clerk who has to make sure that the mailing address for the statements is indeed accurate when she receives a return mail document? Does her name, address, email address and telephone number have to be included because she had to look up on the bureau the correct address for the individual who should have received that documentation?

Ours is much more specific in terms of disclosure. Again, the principle, if you wanted to know what bank and what department inquired into the individual—frankly, most of that information is included on the bureau now.

**The Chair (Mr. Grant Crack):** Thank you very much. We appreciate it. We will move to the third party, Mr. Gates.

**Mr. Wayne Gates:** Thank you very much for your presentation. Do you believe the current system benefits consumers in the province?

**Mr. Steve Sheather:** I think, with respect, that's a pretty broad question. What are you specifically relating to?

**Mr. Wayne Gates:** Well, do you think it's fair for the consumers as it stands today?

**Mr. Steve Sheather:** Fair for the consumers today? I—that's—I'm speechless, only because I don't know how one defines that and where one is looking to provide additional fairness. Can it be improved? Certainly, it can be improved.

**Mr. Wayne Gates:** Thanks. Anyway, I will go to a different question. Right now, consumers who have credit checks completed by a bank receive a negative impact on their credit score. Do you believe that this is a fair practice?

**Mr. Steve Sheather:** At the risk of sounding somewhat argumentative, that is not necessarily the case,

simply because an inquiry has been made. It would depend upon the composition of the score that is being requested. I don't believe that that is a fair statement to make as a 100% generality.

**Mr. Wayne Gates:** Okay. I appreciate that. Do you believe there are any legislation changes that are needed from the province to address credit consumer reporting?

**Mr. Steve Sheather:** Well, again, let me back up: A credit freeze—and no one has ever discussed a credit alert; that is also something that perhaps should be put on the table—is not necessarily a bad thing. If, indeed, I feel that my data has in some way, shape or form been compromised, I should absolutely be allowed to put a credit freeze on my file.

**Mr. Wayne Gates:** Okay. Thank you.

**The Chair (Mr. Grant Crack):** We will move to the government. Mr. Potts.

**Mr. Arthur Potts:** Thank you, Mr. Sheather. I appreciate you calling in today and bringing this perspective. I want to, at the outset—I know that we have had opportunities to meet through your colleague Mr. Dion, and I understand very clearly some of the issues that you are raising, particularly around disclosures. I think that's a very valid point about how deep into a corporation the disclosures—I know the intention, and I think this can be addressed in a government amendment, but it's about company and address, just so that someone knows where it's coming from and who made the inquiry. We take that concern very, very seriously, and we appreciate you raising it.

But don't you believe that the proposal in this legislation does meet the needs of consumers to combat credit fraud?

**Mr. Steve Sheather:** It could. It certainly could. I find it a little difficult to understand why the terms that are being used in the legislation have no definitive definitions. Consumer scores: I have no idea how many consumer scores exist at the credit bureaus. Does everybody want those? Is it just the consumer? Does it have to be a delinquency?

**Mr. Arthur Potts:** Yes, we see these definitions will be evolving as we—they will definitely be in the regs. We think we need some clarity and it will certainly come in the regs.

I also appreciate your concern about ongoing credit relationships. I know the expectation here is that you can freeze so that no new credit can be established in your name if you have a freeze. That's the objective, and that's what would stop the fraud: If I put a freeze on, nobody could go in and get new credit. So existing credit relationships and the opportunity to share that data certainly will be protected. We're looking at whether that's in the legislation or we can just do that through the regulations.

Is there anything else—

**Mr. Steve Sheather:** I would concur.

**Mr. Arthur Potts:** How would you see credit alerts working in the legislation?

**Mr. Steve Sheather:** An alert is a response that would be generated back to a consumer, which basically could

be done under email, where in fact the credit bureau was being accessed, with or without the consumer's understanding. So it's different than a credit freeze. A credit freeze is such that—period—you can't look at it under any circumstances. An alert is one that says, basically, "Excuse me, Mr. Sheather, credit grantor ABC has inquired. Are you onside with that? Are you offside with that?"—that kind of thing.

**Mr. Arthur Potts:** And they would have a valid email address, and maybe there's a need that you would have a sign-in, like you would for a bank, to keep your information very private and very confidential.

**Mr. Steve Sheather:** Hear, hear—absolutely.

**Mr. Arthur Potts:** Because we can certainly set up those kinds of blockchain relationships to be secure.

I appreciate very much you chiming in on this. We'll look forward to working with you on the regs, and we'll get it right.

**Mr. Steve Sheather:** Thank you very much.

**Mr. Arthur Potts:** Thank you.

**The Chair (Mr. Grant Crack):** Thank you very much, Mr. Sheather, for speaking with the committee this afternoon. We wish you a good afternoon.

**Mr. Steve Sheather:** Thank you, and you as well.

#### DURHAM COLLEGE

**The Chair (Mr. Grant Crack):** Next on the agenda we have Durham College. We have the dean of the School of Skilled Trades, Apprenticeship and Renewable Technology, Mr. Kevin Baker. We also have special adviser, government relations, office of the president, Jane Holmes. We welcome the two of you to committee this afternoon. You have up to five minutes for your presentation.

**Mr. Kevin Baker:** Thanks, Mr. Chair. My remarks are actually going around, as is an appendix that I'll refer to. Essentially, we're not here to express any grave concerns about the legislation in and of itself. We do believe that there has been what I will call perhaps some oversight in terms of the implications of the legislation. Specifically, I will refer to a term that we all hear often, which is the skills mismatch.

What happens, essentially, as an effect of the Cunningham report, which precipitated this interest, is the impact on what we refer to in the industry as the T licence. Currently, in Ontario, that's about half of the folks who work on elevators. They have no formal training. All of the training they receive is done on the job through their employer. Those folks are not eligible to achieve what's referred to by the TSSA as an A licence. The only way you can get an A licence—if you look at the handout that has a flow chart that I've given you, you'll see a T licence is issued at the front end. It's kind of like getting your learner's permit to drive a car—that would be my analogy. That allows you to enter the industry and begin working under the supervision of an A-licensed mechanic.

In order to become an A-licensed mechanic, which basically means a real mechanic, you must complete your apprenticeship. That's 8,000 hours, plus almost 900 hours in class. It generally takes about four years of on-the-job training, combined with in-class training, and then you must write your certificate of qualification exam, your C of Q, as it's known in the trades.

Essentially, right now, you have over 2,000 mechanics out there on the street who are completely 100% ineligible to become A-licensed mechanics. If you look at the justice's report to the TSSA on page 42, you will see that his primary recommendation related to the skill set of the folks working in industry is to phase out and get rid of the T licence.

**1550**

So you have a problem. I deliver apprenticeship training at Durham College. In fact, I'm the only publicly funded college that delivers apprenticeship training for elevator mechanics in Ontario. My capacity is 40 per year—40. So if I have to train 2,000, let's do the math and figure how long it's going to take me to get them all licensed to become actual elevator mechanics.

I'm also the only post-secondary program in the entire country that trains people off the street to become elevator mechanics as a post-secondary program. We have capacity to deliver 60 new apprentices to the system every year who actually know what they're doing. They are only the beginning of apprentices, but they actually have millwright skills. They have all the skills they need to actually be an employable elevator mechanic and go out and work in industry right out of school.

That program delivery costs \$1 million per year for 40 apprentices and 60 post-secondary students. So even to double my capacity, to go to 80 apprentices per year and 120 undergraduates—there is demand, so I have a wait-list already of over 50 and we're only in April. There are four more months of applications. I could easily do another 60 diploma students. I would need another \$1 million, plus major capital in terms of elevators and escalators and so on to train them on.

I'm just one small player. There is going to be a huge tidal wave of people coming as soon as this legislation goes through, asking you where they can go to school. The answer is, "Come back in 25 years, and we'll be able to get you in."

That's my presentation in a nutshell. I have a little more detail there in terms of the numbers that I've used and relied on. I can assure you that these numbers that I have in terms of expenses are the revenue that the government currently pays to train those 40 apprentices and 60 diploma students. You would be able to check your own files to verify that, in fact, that's my revenue for these two program areas.

**The Chair (Mr. Grant Crack):** Thank you very much; much appreciated.

We'll start with the government side. Mr. Anderson.

**Mr. Granville Anderson:** Hi, Kevin and Jane. Good to see you again. I see you quite often, but not under these circumstances, usually. Welcome, and thank you for being here this afternoon.

I spoke to you preliminarily. You take in 40 students per year, and I see that you have close to 300 applicants.

**Mr. Kevin Baker:** Yes.

**Mr. Granville Anderson:** Where else would kids go for this kind—you’re about the only facility to give that training. Where do other elevator mechanics get their training, those who currently work on elevators, if it’s not from you? Could you elaborate on that?

**Mr. Kevin Baker:** Sure. Historically, the T licence has been largely exploited as the vehicle for getting people into the industry. I can graduate from high school—I don’t even have to graduate from high school; I can have an uncle who works as an elevator mechanic and I can say, “Hey, Uncle, can you get me a job?” That young person can go work for any of the elevating companies; they just simply have to apply essentially to get their T licence—their beginner’s permit, as it were—and they’re now employed essentially as a helper and they work in the industry.

Everyone else has eventually gone through the apprenticeship system either through our college—we’ve been doing it since 2002; we’ve done about 800 apprentices in that time—or they would go through the union. We’re the only two TDAs, training delivery agents, in the province.

**Mr. Granville Anderson:** So you need money. In other words, if there were severe cuts to the Ministry of Advanced Education budget, that would hamper your ability to even accommodate the 40 students so far. That’s proposed by other governments, that cuts are imminent, based on their projections.

We want Durham College to be the place where people say, “If you want elevator training, make it Durham College.” That’s what I want to see. So in that case, you would need additional funding for capacity and for instructors etc. You alluded that to double that, you would need another \$1 million.

**Mr. Kevin Baker:** One million dollars in operating.

**Ms. Jane Holmes:** And as you know, Granville, we have a severe space constraint out at Durham, so we would also have to have additional space. Either we would lease the space, which Kevin has figured out would be about \$200,000 annually, or we would have to build something to be able to do it.

**Mr. Han Dong:** Can I just ask one quick question?

**The Chair (Mr. Grant Crack):** You have 15 seconds, Mr. Dong.

**Mr. Han Dong:** Very quickly: You mentioned that you were anticipating a wave of applicants coming in and there is great demand in the field. So in other words, if this bill is passed, it will create a lot of jobs in the industry. Is that true?

**Mr. Kevin Baker:** It will change the jobs. I believe it would create more jobs as well; however, there are 2,000-plus people, according to the data from TSSA, who are currently employed who would no longer be employable in the short to medium term.

**Mr. Han Dong:** Why so?

**Mr. Kevin Baker:** Because part of the recommendations is to phase out the T licence. That’s over half of the mechanics in Ontario.

**Mr. Han Dong:** Okay.

**The Chair (Mr. Grant Crack):** Thank you very much. We’ll move to the official opposition. Mr. McDonell.

**Mr. Jim McDonell:** Obviously, I see there has been very little consultation before they issued this bill.

**Mr. Kevin Baker:** Yes.

**Mr. Jim McDonell:** It’s a little concerning: You have 2,000 workers now who don’t have training. Is it fair to think that there is a need for a helper in many cases? We’ve heard over and over again that there are not enough elevator mechanics in the province. I think you’re the only school in the country that provides that training. Saying that, you can provide more, but is there no place for these 2,000 people who are quite happy with where they’re working? It is a very physical job. There are, I’m sure, mechanics who are not as physical as they used to be anymore—and there is a spot for these people.

**Mr. Kevin Baker:** I’ll use my personal profession, as opposed to the elevators, for your analogy. I would not want a lawyer who only passed the family bar.

**Mr. Jim McDonell:** But he’s working under a licensed mechanic. We see that with every one of our technology jobs, or essentially all of them, where there are people who are of a lower licence. You don’t have to be a class A mechanic to change oil, basically.

**Mr. Kevin Baker:** Yes.

**Mr. Jim McDonell:** I’m just saying, is there not a spot for some tier where you’re under direct supervision?

**Mr. Kevin Baker:** There may be. I don’t want to go inside the recommendations of a justice, but I believe that his recommendations are partially born in the lack of versatility. So what happens is I can train someone for a job today, and I can make them very effective and efficient at performing that work for a short period of time, but as soon as one thing changes, I have to retrain them, whereas typically, when you get to an A-level mechanic, you essentially reach a higher function and a higher capacity to continuously learn and so on. It would be my opinion that part of the recommendation is borne in the versatility that you get when you have an A-licensed mechanic compared to a T-licensed mechanic.

For example, I’ll use oil changes—your example. If someone is very good at changing oil but suddenly the industry comes up with a way to alleviate the need to change oil, you suddenly have all of these people who have no skills to serve your industry anymore.

**Mr. Jim McDonell:** We’re dealing with a world of change with technology. It’s being replaced every 10 years, so gone are the days when people don’t need training.

**Mr. Kevin Baker:** Yes, that’s right.

**Mr. Jim McDonell:** I don’t think we can design our whole society around having people who no longer have to be trained. Those jobs are gone.

There will always be those physical jobs that need to be done and need people to do them.

*Interjection.*

**The Chair (Mr. Grant Crack):** We're good. We're over the three. Thank you.

We'll go to the NDP. Mr. Gates.

1600

**Mr. Wayne Gates:** How are you doing? It's nice seeing the two of you again, as always.

It's interesting to me that none of the bigger companies that were here today really talked about the T licences, and really kind of put the onuses on the college, saying the college can only take four, and they're taking people from BC. The reality is that it's in the best interests of these companies to have apprenticeship programs and fund those apprenticeship programs. That's what should be happening. I agree with you on the T licences.

The thing that you get with an apprentice is—and you can correct me if I'm wrong—in year 1, they do so much; in year 2, they have capabilities that do more, again working with a mechanic; in year 3, it's better; in year 4, it's better; and then they become a fully functional mechanic. I don't know if there's anybody in the province of Ontario who wouldn't agree that that's a system that has worked for us for a long, long time.

It's not a question here; it may be a statement. It's very clear to me that this is not a problem with just Durham College and not having the resources. It's a problem with industry that isn't supporting the apprenticeship programs in their very own industry, to the betterment of the health and safety and the well-being of people riding in elevators.

Maybe you can answer—am I on the money there? Am I out of line?

**Mr. Kevin Baker:** I don't want to pin this on industry. Right now, there are 500 apprentices in the system. The system does not currently have the capacity to meet needs. That's the existing state of affairs.

Industry is bringing them in. Because we work, and are directed to work, very closely with industry, I am aware that industry does occasionally complain because it's taking far too long to get their apprentices in for their apprenticeship training. So industry is doing it.

I think that there is a systemic disincentive, I'll call it, when you can't get people in for their formal training. So why hire more apprentices?

**Mr. Wayne Gates:** I appreciate that. But the other thing that colleges are doing really well, including Niagara College down in my area, is understanding the changing workforce today. The colleges are actually having students now who are geared to the jobs that are going to be available for them when they graduate, or for the jobs of tomorrow.

You're right: I believe some of the responsibility should be on the companies, but the bigger responsibility is to fund our colleges properly. That's not happening today. That's why we see some colleges going to other countries or Third World countries to try to get students.

But this one here—we know that there's a need for it. We know there's the potential to have good-paying jobs for our young people, male and female, because females are getting into skilled trades as well today.

Yes, the onus is on the government to make sure we're funding our community colleges to the funding level that we should. Having talented people like yourself, who understand the industry and are teaching our brilliant young minds that we have in the province, is a good first step, but I believe it has to be a partnership. We've got to work with the businesses. We've got to work with the government. We've got to work with the colleges. If we all come together, maybe we can fix the problems that are going on today in this industry.

**The Chair (Mr. Grant Crack):** Thank you very much. I'd like to thank the both of you for coming before committee this afternoon. It was very insightful. We appreciate it.

**Mr. Kevin Baker:** Thank you.

#### THYSSENKRUPP ELEVATOR

**The Chair (Mr. Grant Crack):** Next on the agenda, we have, from thyssenkrupp Elevator, Mr. Jorge Silva, who is the vice-president of business development.

I take it that it is "George" and not "Jorge"?

**Mr. Jorge Silva:** Yes, but I have been called "Jorge" before.

**The Chair (Mr. Grant Crack):** That's good to know.

We welcome you, sir, to committee this afternoon. We look forward to your presentation. You have up to five minutes.

**Mr. Jorge Silva:** Thank you, Mr. Chair. I'd like to express my appreciation for being invited here today to talk about Bill 8.

My name is Jorge Silva. I'm the vice-president of business development for thyssenkrupp Canada. I've been in the industry for about 23 years now and have worked at various levels, through branch manager and a national accounts role to my current role of vice-president of business development for Canada. I'm also currently responsible for the office downtown and the operations of thyssenkrupp in downtown Toronto.

Thyssenkrupp is the largest elevator company in Canada. We employ 2,000 people across the country. We've got a 40% market share. We maintain over 40,000 elevators in Canada, 10,000 of which are in Ontario. In Ontario, we employ about 900 to 1,000 employees. We're a division of thyssenkrupp AG, based out of Germany. It's a Fortune 500 company globally.

Transitioning to why we're here: We've read the Deloitte report, supported by Justice Cunningham. The only concern that we wanted to table on Bill 8 was the mandatory repair timelines. We're concerned about that for a whole bunch of reasons, but some to table today are, first and foremost, safety, of course, with the pressures of a mandatory repair timeline and the costs associated with that. When you look at the cost, I know everyone has talked about costs here today, but they would certainly be immense.

We're looking for different wording on that mandatory repair timeline because it's more of a blanket approach towards that one component. If you look at the different types of elevators we have out there, in terms of the costs associated with rural and urban situations, there are many people in various buildings—low-income, etc.—who wouldn't be able to sustain those costs. It's a big concern for us. We maintain elevators in commercial real estate and residential, in schools and universities, what have you. It's a very diverse industry that way.

There is one item that I wasn't going to talk to you about, but since the Durham College conversation occurred I just wanted to make something clear and understood. The four majors—thyssenkrupp, Schindler, Kone and Otis—don't hire from Durham College. We go from within the union. We support the union Local 50. As a matter of fact, we support the education programs for elevator mechanics in Local 50.

I heard the conversation today—the concern about labour in the industry. The answer is no; we don't have a concern about labour. We have a concern about the skill set of labour in our industry. We ourselves have internal training programs that we facilitate for employees, much like, I'm sure, our competitors in the big four do.

Getting back to mandatory repair timelines, that's our biggest concern that we have with this.

I would take your questions now, if you like.

**The Chair (Mr. Grant Crack):** Okay. Thank you very much. We're going to start with the official opposition: Mr. McDonell.

**Mr. Jim McDonell:** Thank you for coming out today. If this becomes legislation, what would you see the rough average costs going up to for the building owner to be able to come up to the new service requirements?

**Mr. Jorge Silva:** It's very difficult to put a cost associated with it.

**Mr. Jim McDonell:** Some of our buildings are much older, especially those that are low-income.

**Mr. Jorge Silva:** Exactly.

**Mr. Jim McDonell:** Their costs would be much higher than the newer ones that have new equipment.

**Mr. Jorge Silva:** It's almost impossible. We just know that it would be quite a large cost, when you're dealing with an elevator that's obsolete, for example. The competitiveness of the marketplace for the client, for the end user, would be hugely affected, because companies may stray away from—absolutely, they would—if they knew that they now had a risk on their hands. That's a big concern that has to be considered, I would think.

**Mr. Jim McDonell:** As far as the procedures and the TSSA, your rapport and working relationship now with them, would that be a concern as well under this new legislation?

**Mr. Jorge Silva:** I'm sorry. What was the last part?

**Mr. Jim McDonell:** In your working with the TSSA, giving them much more power—right now they have no oversight, nobody within the government who is actually able—there's no Ombudsman; there's no Auditor

General; there's no place to go back to with a complaint or an appeal other than them or, I guess, court.

**Mr. Jorge Silva:** I think there would be challenges there. I've heard it said before that there were challenges with the MCP. We've talked internally about how we have issues with the response times from TSSA and just the sheer volume that we're seeing from them—that could certainly help us quite a bit, I think, in the industry. I don't know if anyone else has spoken to that. Even possibly the TSSA having more of a demerit responsibility with unionized elevator mechanics—we support the unions, we work closely with the unions. But if you think about it, they are the figurehead, and they could assist us with that, in driving accountability in the field.

1610

The mandatory repair timelines is really—it doesn't seem to be the answer. As I said, we thought the report that came out from Deloitte and Justice Cunningham was collaborative and a good report.

**Mr. Jim McDonell:** It recommends, actually, against those mandatory repair times.

**Mr. Jorge Silva:** Yes, it does, clearly.

**Mr. Jim McDonell:** As far as the timelines, many of your repairs would be outside of your shop, dealing with third-party shops and mechanics, because you're dealing with older equipment that you can't keep equipment or spares for, so it's not reasonable. How is that working? How many of these third-party maintenance groups would you use? I guess it would depend on the age of the elevator?

**Mr. Jorge Silva:** Yes, there are several. There are rewind shops; there are electrical shops; we, internally, have our own board repair and electrical repair. We continue to invest in the Canadian market for those reasons. We have five engineers on hand where we replace the boards, we repair them and keep them in stock. Also, we have minimized the delay in an elevator shutdown, if there is one.

**The Chair (Mr. Grant Crack):** Thank you. It's appreciate it.

Mr. Gates.

**Mr. Wayne Gates:** Thank you very much. I appreciate you giving me the opportunity to respond to, I think, something that you had a little confusion around. I have been taking a lot of my stats from an article that came out of the Canadian Press, just so you know. I don't make this stuff up:

"Ben McIntyre, business manager for Local 50 of the International Union of Elevator Constructors in Ajax, Ontario"—I'm sure you're familiar with him—"said some landlords are simply unable or unwilling to spend the needed money. But the real problem"—this isn't coming from me, sir; it's coming from the union guys. I have no problem, union or non-union; that's not the issue here. "But the real problem, he said, is that routine maintenance has gone by the wayside as overloaded technicians attend to only the most pressing problems." Again, this is coming from Local 50.

"McIntyre also complains about the dominance of the few big players in the tight-knit industry.

“They really rule it with a tight fist and it’s all about bottom lines more than it is about customer satisfaction or for the riding public,” McIntyre said. ‘If they can cut a corner to make their bottom line look better ... they will. It’s only when an accident happens or something happens, then they start pointing fingers.”

The last thing was: “And accidents do happen.”

The reason why I’ve raised that with companies like yourself, international companies that are known around the world—when I see that coming from your employees, I think it’s fair, I think it’s reasonable and I think it’s certainly a question that may have to be asked when we’re dealing with a bill here in front of the Legislature.

That’s where that came from. I just wanted to repeat that. You can answer to any of what he said, if it’s not accurate or—

**Mr. Jorge Silva:** Ben McIntyre from Local 50?

**Mr. Wayne Gates:** He’s from Local 50. He’s a businessman.

**Mr. Jorge Silva:** He’s not our employee. He’s head of the union.

**Mr. Wayne Gates:** He’s the head of the union, but they represent the employees that work for you. That’s where I got that from. I just wanted to say that, because you had said what you did.

I’ve got another question for you, though: What do you think is a reasonable time for people to be without functioning elevators in their residency?

**Mr. Jorge Silva:** Well, if I could just address what you mentioned there.

**Mr. Wayne Gates:** Okay.

**Mr. Jorge Silva:** We hire our labour through Local 50. I’m not familiar with those comments; I can’t get into those. But I can assure you that there is a lot of support from all of the major companies—Schindler, Kone, Otis and ourselves—in educating and going through the educational programs through Local 50.

The question may be, how many of those Durham College employees are actually hired on by Durham? Because we have to—we must—go through Local 50 to hire those employees—

**Mr. Wayne Gates:** Yes, that’s how it works.

**Mr. Jorge Silva:** —I just wanted to be clear.

Sorry, your next question?

**Mr. Wayne Gates:** Oh, sorry about that.

**The Chair (Mr. Grant Crack):** Quickly, very quickly.

**Mr. Wayne Gates:** Time goes quickly. I wish we had more time. I’d like to talk to you a little longer. Unfortunately, you guys won’t let me.

**Mr. Jorge Silva:** I wouldn’t mind that at all.

**Mr. Wayne Gates:** I think that’s fair. It’s how I get educated.

**The Chair (Mr. Grant Crack):** And now we’re out of time. Thank you very much.

We’ll go over to the government side. Mr. Dong.

**Mr. Han Dong:** Thank you for coming, and thanks for the presentation. Before I start a question, I was listening to my Conservative colleague asking questions

and the concern about the cost. Somehow in low-income buildings it’s okay for—they’re concerned about the cost to the residents there, but to me, they implied that somehow it’s okay for a lower standard in terms of availability.

I just want to remind everyone on the committee and everyone in the room that when I presented my private member’s bill prescribing a timeline of 14 days, and seven days for a senior or a medical facility, at second reading I received unanimous support in the House. That means every party member in the House that day voted for it. The Conservative leader at the time, Mr. Brown, openly said to the media, “A good idea is a good idea,” and that he would support this bill. So I hope there will be some consistency coming from the opposition side, that you either support a timeline or you don’t support a timeline.

With that, I want to put my question to you on the labour issues. First of all, an easy one: What’s the percentage of T-licence holders that you hire right now in your company?

**Mr. Jorge Silva:** I don’t have that exact percentage. It’s almost impossible to answer right now. I couldn’t answer. I know there’s a conversation about T licence and class A mechanics. Every mechanic we have working for us—not just us but the four that I mentioned—are class A mechanics who have been operating in the field, looking after your maintenance in your condominiums, in buildings that we maintain, Commerce Court or—sorry—Brookfield Place, TD Centre, etc. In some of those bigger complexes where there has got to be repair work, that’s when we have a junior mechanic, a T-licensed, if you will, for lack of argument. Then they graduate through the industry. As I’ve heard before, you earn your 8,000 hours, your education time as well, and that’s a graduation through—

**Mr. Han Dong:** Gotcha.

**Mr. Jorge Silva:** —through apprenticeship.

**Mr. Han Dong:** I’m sorry. I don’t mean to cut you off, but I’ve got a very important question, looking for your advice.

You talk about the skill set of labour. Do you have any advice to the government or to the Legislature on how we improve that? How do we help the industry make sure the skill set is there?

**Mr. Jorge Silva:** I hope I’m not talking out of turn here, but thank you for the question. We would like to see—I was leaning towards the TSSA having a bigger role in helping us drive accountability in the field with the mechanics.

Just imagine this: You’re driving down the road, you get pulled over for speeding; you’re going to get demerit points, right? You are not going to get on a plane with a pilot that—unless you know, because you’re confident there is accountability there; it’s driven.

It’s the same thing with transportation in the elevator business where you’ve got an elevator mechanic—and again, we’ll work with Local 50. We support them. Their

hands are tied as well for obvious reasons. But a governing body like TSSA can severely help us in the industry if there was a demerit program where, if there was an infraction—you know what? If the mechanic didn't sign off in a logbook and there's a demerit point on his licence, which has to be renewed every two years, I think there would be an attitude adjustment in the industry. We're not here to talk about our day-to-day issues, but clearly we have them. Every company does; every business does.

As a government, I think that if we had that, and we have the TSSA in that role, or a governing body, that could really help us. That would be a better solution than a mandatory timeline.

**Mr. Han Dong:** Thank you.

**The Chair (Mr. Grant Crack):** Thank you, Mr. Silva, for coming before committee this afternoon. We much appreciated your insight.

**Mr. Jorge Silva:** Thank you.

**The Chair (Mr. Grant Crack):** A couple of notices here to members of the committee. The deadline for written submissions to Mr. Clerk here will be 6 p.m. today. Also, amendments to the bill will be submitted to the Clerk as of 12 noon tomorrow, Thursday, April 26.

There being no further business of the day, I want to thank everyone for their great work and all the presenters who came forward. This is my last meeting as a Chair for public meetings, so I want to thank you all—

*Applause.*

**Ms. Soo Wong:** For clause-by-clause?

**The Chair (Mr. Grant Crack):** No, no, for public hearings. We'll do the clause-by-clause—when is clause-by-clause?

*Interjection.*

**The Chair (Mr. Grant Crack):** Next Monday, April 30: clause-by-clause. See you then.

This meeting is adjourned.

*The committee adjourned at 1620.*





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